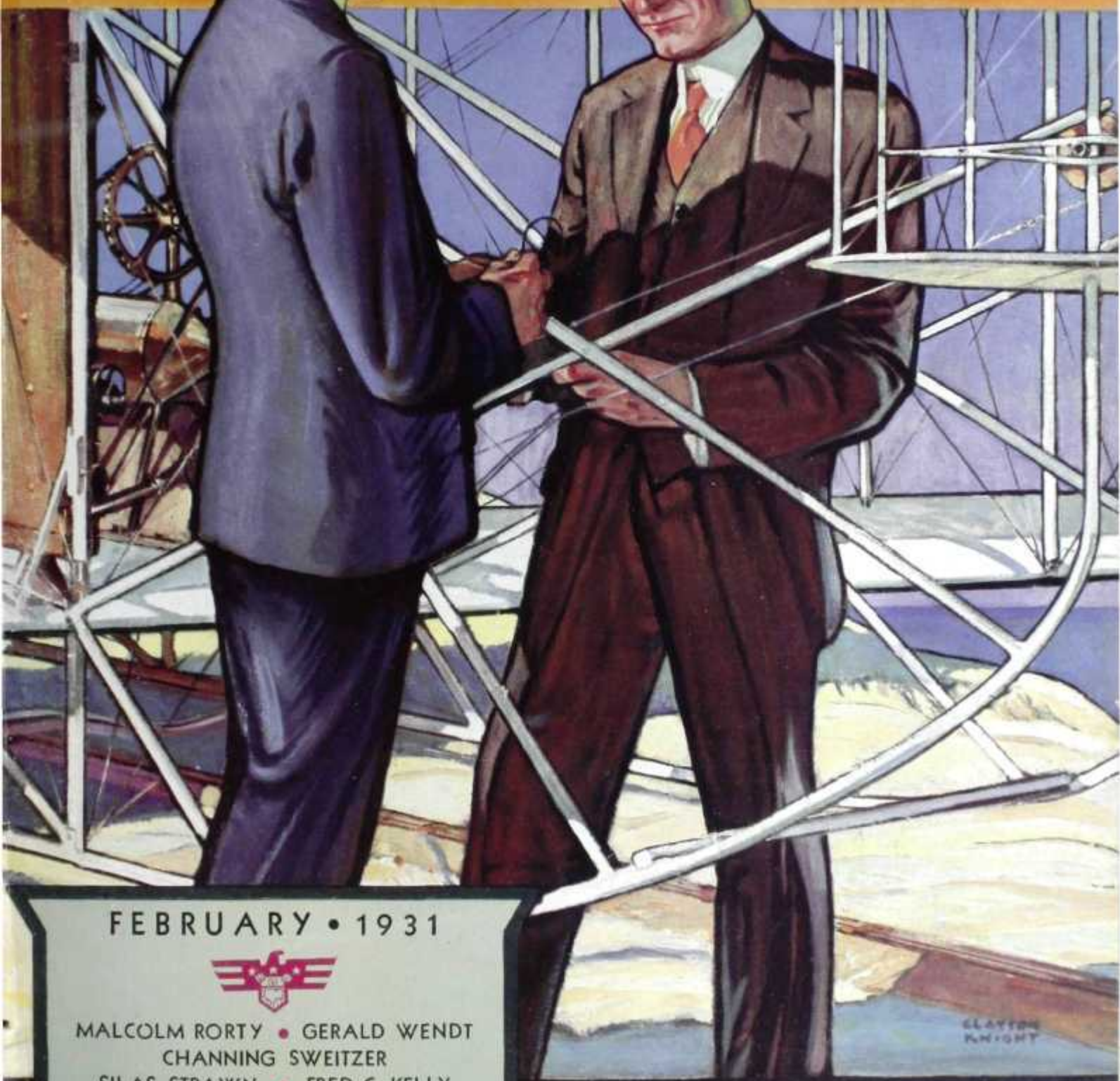


# NATION'S BUSINESS



FEBRUARY • 1931

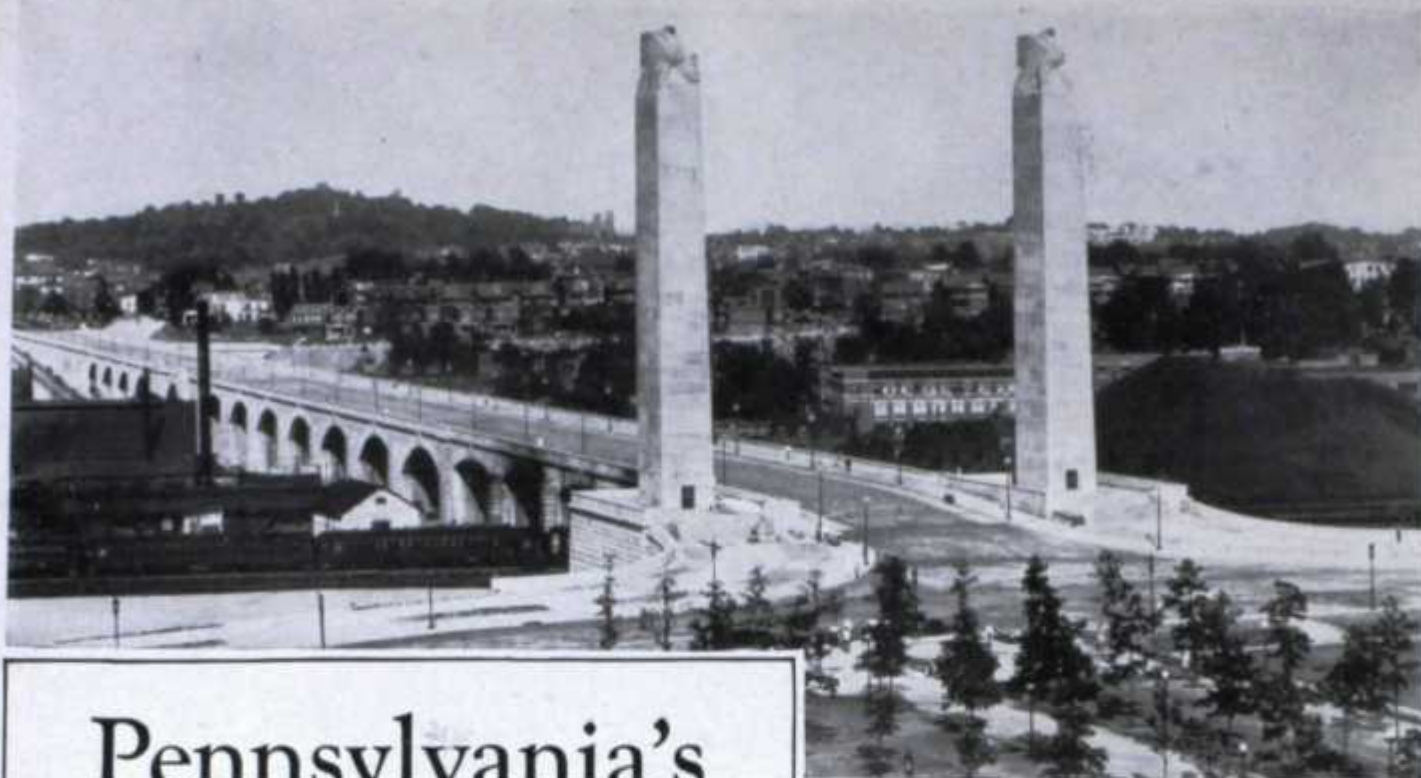


MALCOLM RORTY • GERALD WENDT  
CHANNING SWEITZER  
SILAS STRAWN • FRED C. KELLY

COVER • The Pioneer Aviators • See Page 6

MORE THAN 320,000 CIRCULATION





*Soldiers' and Sailors' Memorial Bridge, Harrisburg, Pa. Sidney Fuller Ross and William Gehron, Architects. John E. Greiner, Inc., Consulting Engineers. Gray Indiana Limestone. (Photo Pennsylvania Department of Highways.)*

## Pennsylvania's War Memorial is of Indiana Limestone

**T**HE Soldiers' and Sailors' Memorial Bridge at Harrisburg, a massive stretch of masonry which is Pennsylvania's memorial to her fighting men of all wars, was dedicated on August 22nd.

Indiana Limestone from the famous Dark Hollow quarry of Indiana Limestone Company was used for facing this structure, proof anew that architects recognize this fine-grained, light-colored stone as standard for important engineering as well as architectural projects.

The 268,000 cubic feet of Indiana Limestone required were fabricated in Indiana Limestone Company's mills. The size of the job is indicated by the fact that six freight cars were used to transport the single carved eagle shown here.

Indiana Limestone Company . . . the largest producer of cut stone as well as the largest quarry operator . . . has been awarded practically every major limestone contract in recent months and has supplied the stone for almost ninety per cent of the limestone buildings throughout the country.

If you are interested in learning more about the Harrisburg Bridge, write for an illustrated bulletin just issued which gives more complete information. Address Dept. 1258, Service Bureau, Bedford, Indiana.



*One of the two eagles which top the pylons at west end of bridge. Each eagle consists of 35 pieces of Gray Indiana Limestone and weighs 392,100 pounds. Lee Lawrie, Sculptor.*

# INDIANA LIMESTONE COMPANY

General Offices: Bedford, Indiana

Executive Offices: Tribune Tower, Chicago



# PEOPLE *not Geography ..*

## DETERMINE MARKETS!

### 2 MARKET FACTS every Manufacturer should ponder!

**1** There are more people within 25 miles of Los Angeles than within 100 miles of the second largest Pacific Coast city—

58% of all people in California and 37% of all in the Pacific Coast states are within a few hours' truck haul of Los Angeles—

Nearly 2/3 of the past ten year's population increase on the entire Pacific Coast was in this area!

**2** The per capita buying power (\$1,351) of Los Angeles is the *second highest* in the United States and the *highest* on the Pacific Coast.

These are definite facts which cannot be overlooked by the manufacturer who wishes to locate on the Pacific Coast. We invite the opportunity of presenting the indisputable facts of Los Angeles County's manufacturing and distribution leadership.

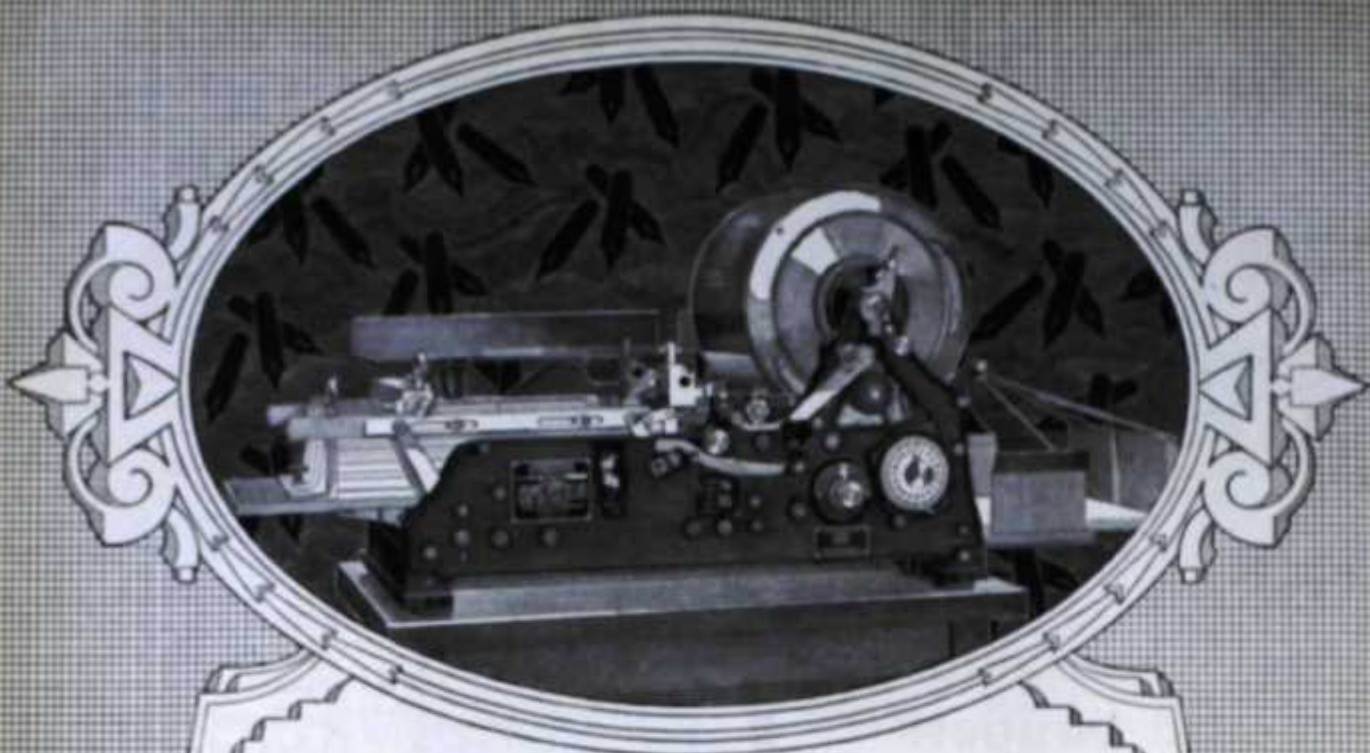


THE geographical center of the United States has little significance to the manufacturer who wishes to reach the dense national markets economically. *People plus buying power* make profitable markets. That is why Los Angeles County is 8th in manufacturing, nationally, easily leading on the Pacific Coast, and why 150 important Eastern manufacturers have located here within recent years!

# Industrial LOS ANGELES County

Address Industrial Dept., Los Angeles Chamber of Commerce  
Los Angeles, California





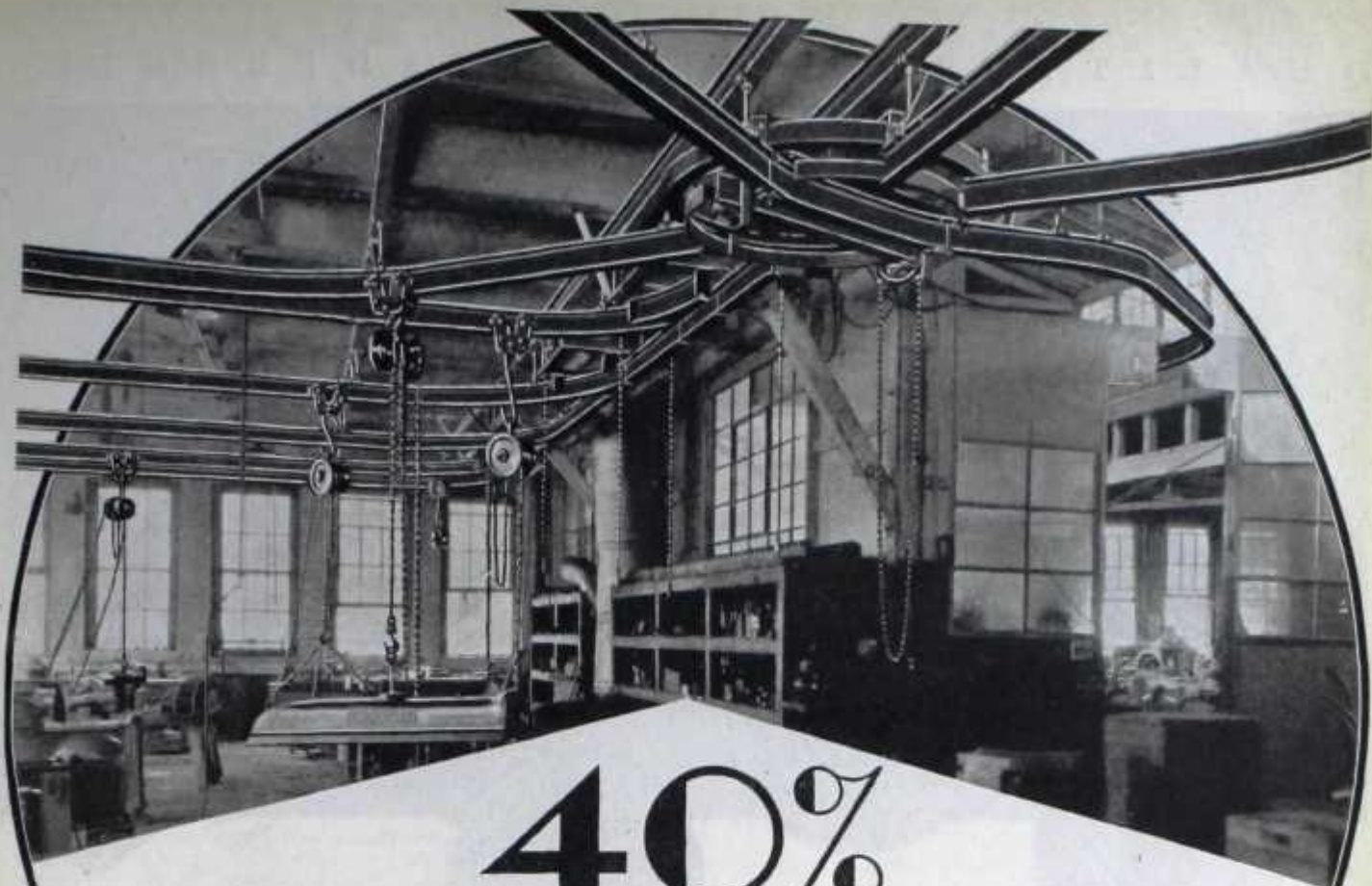
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# M I M E O G R A P H







# 40% INCREASED PRODUCTION

Increased production made necessary more efficient methods of handling the parts for the shapes and all-steel brakes manufactured by the Cincinnati Shaper Company. At the time, the lighter parts were handled by hand trucks and the heavier parts by jacks and rollers. But business had outgrown these methods.

The plant was, therefore, reorganized and R-W Engineers consulted. They planned and installed an Over-Way trolley system which now handles all types of parts by means of chain hoists suspended from R-W ball-bearing trolleys operated on a Steel beam monorail.

Several switches are eliminated by using 2 turn tables to transfer parts from one line to another.

Other R-W equipment installed includes 2 transfer cranes for handling parts from storage to work benches and machines. An Over-Way trolley system is also used on one of the balconies.

Since this very complete and most satisfactory R-W installation was affected, the company has found many further applications of the System—all of which again proves that R-W Engineers are equipped to solve any handling problem. Write the nearest branch.



**R-W  
Over-Way**

40% increase in production for the Cincinnati Shaper Company must be credited to R-W Engineers who evolved a handling system that is most efficient as well as economical of time and labor, which means a saving in money.



"Quality leaves its imprint"

(105)

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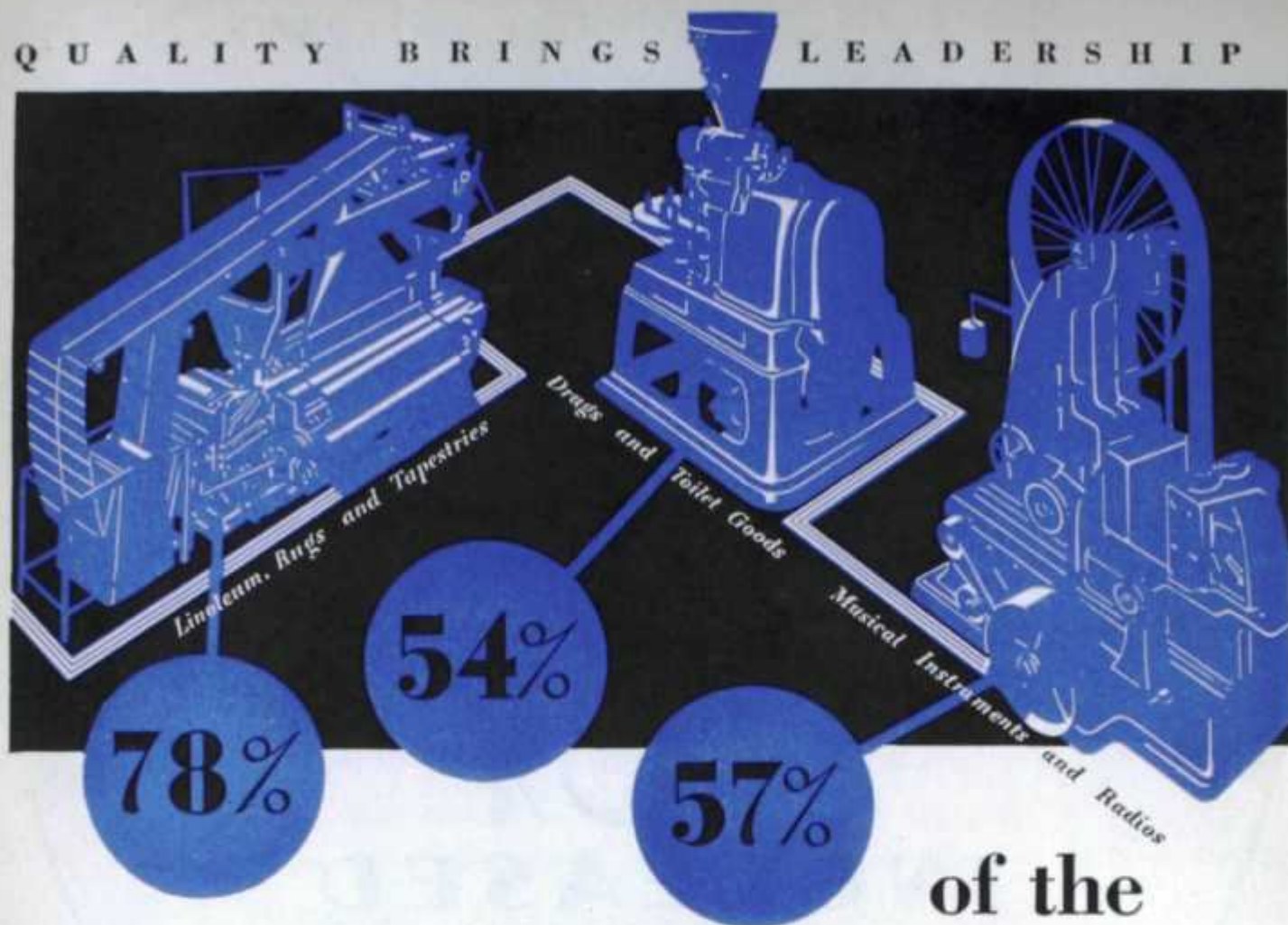
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years  
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of the  
leading\* manufacturers in these 3  
industries use Gargoyle lubricants  
for their more important machinery

\$250,000,000 worth of linoleum, rugs and tapestries—\$300,000,000 worth of drugs and toilet goods—\$250,000,000 worth of musical instruments—are manufactured in the United States each year.

These three industries use many intricate machines with moving parts that must synchronize perfectly. Incorrect lubrication may result in imperfect products. That means expensive rejections by the inspection department. To maintain a high percentage of perfect output, lubrication must be correct.

Keeping down rejection costs may give you part of the saving you are seeking—in



order to meet today's competitive selling prices. Lower cost of maintenance, reduced power costs, less depreciation, fewer time losses, lower lubrication bills—are added economies which Correct Lubrication also offers you.

Your request for performance facts will bring prompt response from a Vacuum Oil Company lubrication specialist in your field. Economies achieved through the use of Gargoyle lubricants in the past 64 years, by other plants similar to yours, are possible for you. Your inquiry involves no obligation.

## VACUUM OIL COMPANY

Headquarters: 61 Broadway, New York. Branches and distributing warehouses throughout the world

\* Manufacturers having five million dollars assets or over



# NATION'S BUSINESS for February

VOLUME 19



NUMBER 2

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As the official magazine of the Chamber of Commerce of the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers.

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ONE WALL STREET which will be opened within the coming month, is in the very heart of the nation's financial district. Nearby are the headquarters of most of the city's leading banks, the New York stock and commodity exchanges and the headquarters of many of the foremost business organizations of America.

## One Wall Street

**T**HIS structure, erected for utility and permanence, represents a distinct step forward in the progress of the Irving Trust Company.

The consolidation of the Irving's downtown offices in this new headquarters building not only provides the advantages of position at the head of Wall Street but also serves important purposes of economy and convenience.

IRVING TRUST COMPANY  
NEW YORK

## THIS MONTH'S COVER

Painted by Clayton Knight

FLIGHT had been man's dream down through the ages. Enviously he watched the birds and strove to mimic them. A few men went aloft in bulging, hot-air balloons whose brief courses were at the mercy of the winds.

Others fashioned clumsy, flapping machines over which the world laughed and wrote humorous poetry. But the Pioneer Aviators were deaf to scoffing. The dangers of great height, of undreamed speed, found them unafraid. They strove to tame the wind. And they did it. Did it with a gasping automobile motor, a few sticks of bamboo, a few yards of silk fabric held precariously together with piano wire.

The public marvelled, called them mad, and gathered to see them die. Many did die. But their dream did not die with them for others who had caught the vision sprang to fill the gaps in the ranks of the survivors.

Thrill seekers saw each flight as a spectacle of brave men dangling above eternity. The Pioneers cared little for the spectacular. They had made the air their laboratory. Each flight showed them new errors to be corrected. They increased the power of their motors, they reshaped their wings, they perfected their controls.

### Pioneers with a vision

THEY knew that in their hands rested the future of a great transportation medium which one day would break the bonds that fettered mankind to earth, would lighten his labors and increase his pleasures.

They progressed always toward greater stability, greater efficiency, greater safety. But the public saw only the charred wreckage, the broken bodies of those who had died to clear the way. The Pioneers not only must conquer the air, they must conquer public fear.

To these Pioneers of Aviation NATION'S BUSINESS dedicates this cover. They made this a three-dimension world. They bridged continents. They carried business and understanding across glaciers and deserts and jungles.

Because of their efforts man today knows no horizon. The most distant race or people are his neighbors. Some day he will have a neighbor's understanding of their habits, their customs, their humanness. And through this understanding we will have a happier world.



# WHAT'S GOING TO HAPPEN TO BUSINESS IN THE NEXT TWELVE MONTHS?

A MESSAGE THAT WILL INTEREST  
EVERY ABLE BUSINESS MAN WHO  
IS SICK OF STANDING STILL

**C**OMMODITY prices are now down to bargain levels. Stocks of merchandise are in need of replenishment. Interest rates are low. Credit is abundant for financing business expansion.

Here is definite assurance that general business recuperation is now under way. It will soon manifest itself in an upturn of manufacturing and trade activity.

During the next twelve months unemployment will dwindle, purchasing power will increase, the demand for goods will expand, production and distribution will gain, executive positions of importance will develop.

In bad times the smartest men prepare for making more money. Enrollments received by

*Business Leaders who helped build the new Institute Course: Alfred P. Sloan, Jr., President, General Motors Corp.; Hon. Will H. Hays, President, Motion Picture Producers and Distributors of America, formerly U. S. Postmaster General; Bruce Barton, Chairman of the Board, Batten, Barton, Durstine & Osborn; John T. Madden, Dean, School of Commerce, Accounts and Finance, New York University; Dr. Julius Klein, The Assistant Secretary, U. S. Department of Commerce; Frederick H. Ecker, President, Metropolitan Life Insurance Company; Hubert T. Parson, President, F. W. Woolworth Company; David Sarnoff, President, Radio Corporation of America; F. Edson White, President, Armour & Company; and Dexter S. Kimball, Dean, College of Engineering, Cornell University. And many others.*

the Alexander Hamilton Institute in the last twelve months are 34% ahead of last year.

What's that to you?

It's nothing to you if you are willing to put up with a \$5,000 salary for the rest of your life. The Institute can do nothing for men who are clerks at heart.

But if you are determined to double or triple your income in the next five years, and are only waiting for your chance to start, this simple fact is like an arrow pointing the way.

Every period of deflation in history has been the forerunner of greater opportunities for personal advancement than ever before existed. And the men who maintained their faith in the future and prepared to meet it benefited richly.

It was so in 1921. It is so now. A difficult winter is ahead, but the turn has come. And the thousands of men who this year have sought the counsel and example of business leaders through the Alexander Hamilton Institute will be the first to profit.

Will you join them? The booklet gives plainly and simply the facts about this sensible, practical method of increasing your earning power. It costs nothing. Send for it, read it, and judge for yourself.

## ALEXANDER HAMILTON INSTITUTE

To the Alexander Hamilton Institute, 411 Astor Place, New York City  
(In Canada, address Alexander Hamilton Institute, Ltd., C. P. R. Bldg., Toronto)  
Send me without obligation the new booklet, "What an Executive Should Know."



Name \_\_\_\_\_  
Business Address \_\_\_\_\_  
Business Position \_\_\_\_\_ Type of Business \_\_\_\_\_

*When writing to ALEXANDER HAMILTON INSTITUTE please mention Nation's Business*





## What are the Products of General Foods?

HERE IS the story of a family of food products...how 20 of your favorite foods rose from humble beginnings to an honor-place on the tables of America's millions.

To read this story is to know why General Foods, maker of these 20 nationally advertised foods and more than 60 others, has achieved its

position in the world's largest business. It is to know what business leaders and bankers already know—that the sales and earnings of this company have that stability which comes from a wide diversification of products in a fundamental industry.

This booklet will be sent *free* to any interested person.

## Write to General Foods

CORPORATION

Department T

250 Park Avenue • New York City

*Maxwell House Coffee and Tea, Log Cabin Syrup, Jell-O, Certo, Post's Bran Flakes, Whole Bran, Minute Tapioca, Instant Postum, Hellmann's Mayonnaise Products, Walter Baker's Chocolate and Cocoa, Franklin Baker's Coconut, Calumet Baking Powder, Grape-Nuts, Sanka Coffee, Swans Down Cake Flour, Postum Cereal, Post Toasties, La France, Satina, Diamond Crystal Salt, Jell-O Ice Cream Powder*





## Danger! Men at Work

**W**E ARE entering, let us hope, the final stage of our folly. The air is charged with rumors. The whispering campaign is on. No business is immune.

Have you heard about such and such a bank? Do you know old So-and-So is going to the wall? I hear the Doe Company is headed for receivership. The Roe Company has passed its dividend.

Only by wearing ear muffs can one walk a block without having his confidence shaken.

Of comfort let no man speak;  
Let's talk of graves, of worms, and epitaphs.

Depression is on every tongue. It is the most widely advertised product of our times. Headlines, headlines everywhere, and no one stops to think.

And our vaunted salesmanship! Give a salesman time enough and he'll paint so drab a picture of the future that a likely prospect will replace his fountain pen—and lock the safe.

Of unemployment, I suspect there are more idle tongues than idle hands.

The folly of too many of us is to accept the echo of the locker room and club car as the Voice of America.

For example, consider 1930, lately interred. Now lies he there and none so poor to do him reverence. Yet that much-maligned year loaded and unloaded 45,800,000 freight cars, and with three million trucks on the job, too. It made and sold a new automobile for each ten families at a cost of \$2,159,600,000, and saw registrations highest of any year, with a gasoline consumption of 399 million barrels, an all-time record. It saw electrical production hit its highest mark.

Nineteen hundred and thirty manufactured four and a half billion yards of textiles, and 315 million pairs of shoes, *the usual two and a half pairs to the person.*

It provided work for forty-odd million men and women, and earnings through dividends to the amount of \$4,500,000,000.

Nineteen hundred and thirty saw to it that expenses of living did not exceed income, as evidenced by hundreds of millions of dollars increase in savings banks and eighteen and a half billions of new life insurance.

Nineteen hundred and thirty added one million in population to our consuming public—a city the size of Cleveland.

With all its faults, 1930 furnished a national market-place where goods, services and labor were exchanged to the extent of 100 billion dollars, and the returns are not all in yet.

One would think, from the wailing, that we had all been wiped out by a terrible catastrophe of Nature—a Noah's flood, a shifting of the Gulf Stream, or by dreadful holocaust.

Yet we are all here. The stores are still open. The trains are running. You can get that number on the telephone. The traffic problem is still lively. Movie houses are no nearer seating all their customers. Children are what they always were. Young folks are getting married. Preachers thunder against the laxity of the age. Amos 'n' Andy are still in the taxicab business. Doctors and dentists make appointments weeks ahead. Lawyers' briefs are just as long. Hardy commuters make the 8:15 in less than nothing flat. And under Nature's white coverlet, bud and blossom await the sure coming of spring.

If these commonplace signs of "life as usual" betoken national instability, then there is a public menace in the familiar warning:

Danger! Men at Work

*Merce Thompson*





# IS YOUR DOOR OPEN TO NEW IDEAS?

Ideas—vital to industry—fight the business battles of today. They are the cunning weapons of defense against the active enemies—competition, greedy overhead and dwindling profits.

The force of ideas in action is illustrated by the revolutionary design of a "controlled conditions" plant by Austin Engineers for a large Eastern manufacturer. Three separate plants are being replaced by one integral unit requiring but two-thirds of the original floor space. The anticipated saving in production costs will be well over 25% due to "controlled conditions".

If "cutting corners"—savings on a given machine, process, or in a given department—are not enough and more drastic measures are needed, what solves the problem? Ideas! If a plant becomes a "white elephant," what eliminates it? Ideas! If profits disappear during the periods of fractional capacity operation, what puts the plant on a paying basis? Ideas!

... And often these ideas are to be found only

in blue prints—in the application of sound engineering... in a survey of the business from a perspective outside the factory walls. And here, the value of the outside viewpoint cannot be over-estimated.

Why not let Austin Engineers look over your present facilities? While no miracle-makers, they are unusually progressive in developing new ideas and pointing the way to profitable action.

An interview granted, with permission to look over your facilities will cost you nothing... may lead to unexpected decisions on your part... decisions which will have an all important bearing on your profits for 1931 and for some years to come.

In searching for new ideas, Austin's recent booklet, "101 QUESTIONS THAT SHOULD BE ANSWERED BEFORE YOU BUILD", might prove valuable... The correct answer to the 1st, 10th or 58th question is the solution to many profitless situations in industry today. Phone, wire or mail the memo below.

## THE AUSTIN COMPANY

Engineers and Builders , , , Cleveland

NEW YORK CHICAGO DETROIT NEWARK  
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LOS ANGELES, OAKLAND AND SAN FRANCISCO  
THE AUSTIN COMPANY, LIMITED,  
TORONTO AND VANCOUVER, B. C.

Memo to The Austin Company, Cleveland ☐ Send copy of booklet "101 Questions That Should be Answered Before You Build."  
☐ Our Door is Open to New Ideas! We are interested in a \_\_\_\_\_ project of approximately \_\_\_\_\_ sq. ft.  
Location \_\_\_\_\_ Individual \_\_\_\_\_ Firm \_\_\_\_\_ City \_\_\_\_\_ N B 2-31

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# NATION'S BUSINESS

Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor

February, 1931

Vol. XIX No. 2

## As the Business World Wags

THUS WE MAY SEE, QUOTH HE,  
HOW THE WORLD WAGS—*As You Like It.*

### The Finis of 1930



AS THE curtain rang down on the tragic comedy called "Business of 1930," there was no deafening applause, few cries of "author! author!" little insistence that the actors appear again and again for final fleeting glimpses. In fact as the audience rose wearily to its feet there were expressions of hope that the next production "Business of 1931" would be better.

But there were bits of drama in the wind-up of the old year. One was the lowering of the rediscount rate to two per cent by the Federal Reserve Bank of New York, the lowest in history. This action followed by other central banks was an assurance of continuing cheap money and perhaps a prevention of further gold imports and if economists and financial experts can agree on anything it is that this country needs no more gold.

### Help for Railroads and Business



ANOTHER dramatic moment as the old year drew to an end was the announcement from the White House that a meeting of the heads of the Pennsylvania, New York Central, Baltimore and Ohio and the Chesapeake and Ohio (Van Sweringen) called by the President had reached an agreement for consolidating the Eastern railroads into four great systems. Only New England was omitted.

In principle the proposed consolidation needs only the approval of the Interstate Commerce Commission. In practice the lively opposition which developed in some quarters in Congress may crystallize into a serious obstacle to the program.

At least the President's action and the railroads' executives' agreement give business a hope if not a certainty that we shall have some quickening of the steps toward the railroad consolidation which the National

Chamber proposed in 1918 and for which it has valiantly battled since that time.

### Packers as Wholesalers



THE Packers' Consent Decree was modified by the District of Columbia Supreme Court the other day. It was a preliminary skirmish in a battle which presumably will end in the United States Supreme Court.

In effect, Justice Jennings Bailey says the packers may wholesale but not retail meat and other food products. The wholesale grocers don't like the ruling and will not hesitate to say so.

Justice Bailey won't let the packers take to retailing because it "would probably result in the almost complete annihilation of the independent retail grocers, already a minority in volume of business."

The Court thinks that the packers would drive out the independent retailer by reducing costs. But if those costs could be passed on to the consumer, are not his rights equal to those of the independent retailer? Courts find knotty problems when economics as well as law must be reckoned with.

It is startling, too, to find an officer of the Farm Board speaking for downtrodden agriculturalists, regretting that the packers can't retail meat since it would help the price of that commodity.

Can it be that the packer is really the farmer's friend? Some day we shall learn that the grain trader is not the enemy of the grain grower.

### The Geography of Savings



THE American Bankers' Association has recently issued a report on savings deposits in the United States as of June 30, 1930 and a comparison with some previous years. The figure is impressive. There were nearly 53 million deposit accounts, an impressive figure even though it may represent some duplication and there



was in the banks about \$28,484,992,000. This is an increase of \$267,000,000 over the figure for June 30, 1929. The year 1929 was lower than 1928 and now 1930 has climbed back to a new high record. Depressions do not deplete savings accounts as one might fear.

Geographically the report is interesting. Thirty of the forty-eight states show declines in deposits. The Middle Atlantic States without exception show gains while in New England only Vermont and New Hampshire show losses. Every other region—Southern, East Central, West Central and Pacific—shows a drop, the two individual states with the greatest loss being California and Illinois.

Perhaps it is the conservatism of the Middle Atlantic and New England states which keeps money in their savings banks.

Figures of life insurance sales for October 1930 show a marked decrease. Sales for that month were 87 per cent of October 1929 while sales for the first 10 months of 1930 were 98 per cent of those in the first 10 months of 1929.

And here it is difficult to find any argument from geography for the five states to show October gains are: Maine, New Jersey, Florida, Idaho and Colorado.

### The Ferment of Population



A FAVORITE game of the writer, when seated at luncheon with a group of men all residents in one city, is to ask where each was born.

It is a fair guess that of ten men so questioned not more than one will be living in the city of his birth. And the migration is not always like the star of the empire, to the West, nor is it always from little to big towns.

New York is constantly being captured by natives of Little Rock or Chicago, and Chicago and Little Rock have their quotas of men born in Brooklyn and Boston.

Let's compare some figures for India:

"When the last census was taken, 90 per cent of the 319 millions then counted were found to be living in the district in which they had been born; and of the remainder two out of every three were living in a contiguous district."

This constant change, this ferment of population is one of the things that has made the United States what it is.

It is not mere restlessness. It is a protest against satisfaction and contentment.

### Let's Don't Speak of Wages



L. URWICK, who is the director of the International Management Institute at Geneva, thinks we talk too much of "wages." That's a word he'd wipe out. Says Mr. Urwick:

When the worker talks about wages, he is thinking of all the things that touch him most closely: food, clothes, his home, ease for wife and child. But the key to these things is not wages in the sense of so much pay per hour or per piece. He will fight about rates, but only because rates seem to stand for what really interests him—high earnings.

In the same way, the employer will get all hot and excited about wages. But he is not thinking about the thing which interests the

worker. He is not thinking of earnings. He is thinking of cost—the cost of labor.

Now these two different things, which are both spoken about in the same word "wages," have no direct connection with each other. In plant after plant, it has been shown that good management can combine a decreasing labor cost per unit produced with increasing total weekly earnings per worker.

That is why the best thing any employer or labor leader can do to improve relations is to blot out the word "wages" from his talk altogether. It is double-faced. The way out is for both groups to talk about what they really mean—earnings on the one side and labor cost on the other.

### More and More Gas Taxes



IT WAS a tax conscious motorist who observed that some of the levies on gasoline were enough to take all the charity out of free air and free crankcase service. The filling station operators have nothing to say about the imposts, of course. Responsibility lies with the state legislatures. Taxes on gasoline have increased so much in the last few years that the total revenue from this source in 1930 is expected by the American Petroleum Institute to amount to about \$550,000,000.

The idea of a sales tax on gasoline has spread rapidly. In 1919, the first year it was introduced, four states adopted the tax, but within two years the number of taxing states had trebled. All states and the District of Columbia have now authorized this tax in some degree. Three states are levying six cents, nine states five cents, and eighteen states four cents a gallon. Including the estimated receipts for 1930, the gas taxes paid in the last five years have been reckoned at \$1,750,000,000.

The gasoline tax no longer affects only a "privileged class" as motorists were once regarded by reason of the cost of car ownership. Whether or not further levies on motor fuel are approved, it might be well to decide the status of the automobile as a luxury or as a necessity. If it can still be argued that not every one can afford a car, it can be as conclusively stated that under the present terms of sale almost every one can have one—and one out of every 4.6 persons has.

### A Government Santa Claus



THE Department of Commerce, acting on the direction of Congress that it find new and wider uses of cotton, went into the Santa Claus business. It issued a booklet with the terse and appealing title, "It's a Gift," wherein were listed some 200 suggested presents made of cotton. They ranged from powder puffs to duffle bags, from bed sheets to play tents. The effort was described—and we do not know whether the language was the newspaper's own or that of the publicity man of the Department—as a "sincere and conscientious effort to help the Christmas shopper."

The conscientiousness and the sincerity we cannot question. Perhaps such a booklet may be of real help to the cotton growers and the cotton manufacturers but is it a function of government to stimulate the Christmas shopper to buy presents of cotton? And if it is why stop at cotton? Were we a manufacturer of stainless steel or of costume jewelry we should wonder why Congress



and the Department ignored us. Pocket knives and strings of beads are perhaps as important and useful as powder puffs and play tents, and we hazard a guess that help would be as welcome to steel and beads as to cotton.

The Department of Commerce is, of course, bound to accept the mandate of Congress, but where were the congressional friends of other industries when the Government was ordered into the Santa Claus business?

### A Bad Year for Prophets



THE year lately ended was not one in which economic prophets made reputations, and the augurs were cautious in December of 1930 as they were confident in December 1929. Turn back to the files of the financial papers of that December and of January 1930 and read:

Promise of a gradual recovery through the spring and good business with the arrival of summer or at latest early autumn.

A fair first quarter, a satisfactory second quarter followed by good business in the latter half of the year are indicated according to recognized authorities on economic conditions.

Without stopping, business has hesitated . . . there are strong factors which seem to promise an early recovery from uncertainty and hesitation.

I have every confidence that there will be a revival of activity in the spring and that during the coming year the country will make steady progress.

A continued business recession during the early months of the year, some measure of recovery in the spring and gradual improvement following with fairly good results for the year as a whole.

It would be unkind to attach the authors' names to these messages of comfort. They are but a handful picked from the great heap of prophecies which ushered in 1930 and which were issued by leading business men and outstanding business institutions.

This year these voices are hushed; there are more "if's" and "but's" in the statements that all may yet be well.

"Don't never prophesy—unless ye know," said Hosea Bigelow. And he might have added: "Don't do it then."

### The Vote on Water Power



AMERICAN business through a referendum of the United States Chamber of Commerce is on record as regards our national water-power policies.

There are 15 statements of principle. Two of them stand out in particular:

The Committee recommends that the federal government should leave to the states all possible control over utilization of water resources within the states.

The Committee recommends that the state governments should leave development and distribution of power to utilities which they effectively regulate.

(The full text of the 15 declarations will be found on page 106 of this issue.)

These two declarations might almost be hailed as a declaration of states rights. The referendum is limited to water-power resources but its principles apply to the whole question of the proper regulation and control of our public utilities.

The referendum which lays down these general principles becomes specific on the question of Muscle Shoals. Flatly and frankly the Chamber's committee declared:

The Committee recommends that the Muscle Shoals project should be sold or leased, as is, on the best possible terms.

And the organizations making up the Chamber's membership representing every section of the country and every industry have by an overwhelming majority approved that declaration.

### Industry Keeps Its Workers



SENATOR Robert F. Wagner talking before a meeting of economists and sociologists at Cleveland recently asked this question:

"Why does industry at present feel at perfect liberty to turn its workers loose at the first signs of slack?"

The answer is:

"Industry does not feel at liberty to turn its workers loose."

Ample evidence is at hand—some of it will be found in the article by Wm. Boyd Craig on page 15 of this issue—that the managers of industry have devoted time and thought and money to the task of keeping as many men at work as possible. And this not only for reasons of humanity but with the knowledge that the dissipation of a capable working force is a great handicap to an industry when it resumes full time.

Again the Senator to the sociologists:

It would never occur to a manufacturer to set his machinery out on the street during depression in the hope that the Red Cross would maintain it for him until the recovery of business.

But without hesitation, without embarrassment, and, I suspect, frequently without appreciation of the full meaning of his act, he turns out of doors his entire labor force.

If a Senator's income should suddenly be cut off and he should be obliged to let his chauffeur go, shall I rebuke him because he didn't also put his furniture on the sidewalk?

### The Plight of the Dole



PROF. Robert A. Millikan, distinguished physicist and Nobel prize winner, warned the presidents of Life Insurance Companies the other day that it was their task to

protect humanity from the catastrophes of sickness, unemployment and indigent old age for if they did not government would do it and do it wastefully and unskillfully.

He might have supported his argument by citing the case of Great Britain and the unemployment dole. Not only is that nation disturbed at the mounting cost and the growing burden on the taxpayer but there is a feeling that the moral fiber of the nation is being weakened.

In the debate in the House of Commons on the appropriations for unemployment relief Sir John Simon called attention to the admission in the *Ministry of Labour Gazette* that many persons were claiming unemployment benefit who had left employment with no intention of returning to it. There was a danger that



people were being taught a clever way of making claims upon public money not only to the detriment of the fund but to the deterioration of the national character.

The Manchester *Guardian*, that excellent Liberal newspaper, has this to say of the debate:

However strongly we may hold that the State has a firm duty to assist the unemployed, it is hard to deny the corollary that, outside the strict limits of a solvent and properly balanced insurance system, the State has also a duty to impose conditions of need and to exercise some control over the lives of those whom it supports. That duty is not being fulfilled when a steadily contracting industry like the cotton trade can exhibit an apparently growing population on the insurance books, when married women can receive benefit on slender industrial qualifications, regardless of the family income, and when casual labour and under-employment are endowed by the State. . . .

If Great Britain finds her unemployment relief an almost unbearable financial burden and a threat to her national character, shall not this country take thought before it plunges into hastily considered measures of government relief, the cost of which it cannot count?

### The Vast Task of Insurance



TO some of us insurance in all its various forms seems a sort of bottomless pit into which we are always dropping premiums and out of which nothing ever comes. Not that we are eager for death or fire, or accident or theft but insurance at times seems one-sided. We read and marvel when Walton L. Crocker of the John Hancock Mutual Life Insurance Company tells his fellow life insurance presidents that the assets of the life companies are \$18,900,000,000 and we vaguely wonder if and when we shall get our share.

It is then with some comfort that we read the announcement of B. D. Flynn, actuary of the Travelers Insurance Company, that in 1930 \$2,800,000,000 went back to policyholders and beneficiaries, that more than \$2,000,000,000 was in payment of life, accident, liability and compensation insurance, in other words, for the protection of the person rather than of property.

### As to Revolving Funds



THE Senate, which helps to create revolving funds, is apparently a little puzzled as to just what makes them revolve. Let's listen in on a recent debate:

Mr. Jones: As I read the House report, \$376,013,974.40 were obligated against the fund and moneys have been advanced totaling \$338,996,508.71.

Mr. Brookhart: We have only appropriated \$250,000,000 up to date.

Mr. Jones: Yes.

Mr. Brookhart: How did they get the remainder of the \$338,000,000?

Mr. Jones: I suppose they considered the \$500,000,000 we have authorized, and probably thought that Congress, of course, would appropriate the necessary money to meet the obligations of the board. I so assume.

Mr. Brookhart: They checked on the Treasury for the additional amount, did they?

Mr. Jones: They have obligated for it, but I do not know that they have drawn any checks on the Treasury as yet. They have, however, advanced three hundred and thirty-odd million dollars.

Mr. Brookhart: They got that from somebody.

Mr. Jones: I might say, however, that it is a revolving fund, and very likely there was some money in the fund on which the board might draw.

Mr. Howell: Where did they get the money over and above \$250,000,000?

Mr. Jones: Possibly some of it came out of the revolving fund.

Mr. Howell: But the revolving fund is made up of \$250,000,000.

Mr. Jones: Yes, that is true, but some of that is returning to the fund. For instance, if it is used and repaid, it goes back into the revolving fund again.

Mr. Howell: But there has never been more than \$250,000,000 in the revolving fund.

Mr. Jones: That is right.

How is this for a definition: A revolving fund is one that goes round so fast that no one can tell how big it is.

### To The Credit Of Business



THE *World* of New York undertook the other day to list the illusions by which business and statesmanship have been misled in the dozen years since the war ended.

These included the illusion that we were living in a new era, and could escape alternating periods of good and bad times which we call "the business cycle."

But the *World* did not stop with the loss side of the ledger. There were gains to be recorded and these three stand out as peculiarly true of business:

1. A genuine recognition by the leaders of industry and the people generally of the central importance of research in pure science, of applied science in industry and of honest fact-finding and controlled experiment.

2. An epoch-making advance among the leaders of finance and industry of the conception of themselves as trustees, a striking diminution of class intolerance and a genuine increase in their sense of social responsibility.

3. An increased understanding of the interdependence of the world.

If these conceptions are growing in the consciousness of American industry then we may have increasing hope for a really "new economic era" with a minimum of excess and a resulting minimum of depression.

### To Put Sugar on New Jobs



THE new competition and the new competitor are always with us. There is more corn in the world than we need to feed hogs and humans and someone tells us that

corn and corn stalks can be used to make umbrella handles and wrapping paper.

And now that the world is finding itself with too much sugar and that sugar prices are too low to make its production profitable, the scientists of the Mellon Institute in Pittsburgh are seeking to find industrial uses for sugar. The food that once made women fat is to be turned inside out and worked over until it can—the scientists hope—be used for wood preservation, textile finishing and the manufacture of adhesives.

Another instance of those "X forces"—those outside factors which build and kill industries—of which NATION'S BUSINESS has talked in its text and in its advertising in other magazines. If the chemists of the Mellon Institute put sugar to work in new ways, what will become of the materials that sugar supplants?





Employment is more and more recognized as a vital factor in prosperity

# How Leaders Met the Labor Crisis

By WILLIAM BOYD CRAIG

Of the staff of NATION'S BUSINESS



**W**AGES are being considered in a new light by big employers. If business followed the precedent set by other generations, wages to labor would have been cut successively lower as the slowing-up process continued. But the temper of management has changed. While some reductions have been necessary here and there, the trend, in the main, has been toward wage maintenance. Employment is more and more recognized as a vital factor not only in prosperity, but in normal conditions.

A score of the largest corporations were asked to talk frankly on their attitudes toward reductions in wages, in forces, and part-time work to spread out employment.

All these firms had been favorably

**BUSINESS** men realize that jobs are essential to prosperity but, in the present depression, many companies have wondered how to weather the storm without reducing pay rolls. In this article, 15 recognized leaders explain how their companies moved to meet this dilemma

known for their general labor policies. Their responses indicate clearly this new recognition of the value of keeping men at work.

## Six-hour working day

AT LEAST one large manufacturing establishment, a maker of prepared foods, has committed itself to a change from

an eight-hour to a six-hour working day with a corresponding base-rate increase of 12.5 per cent. This means, in effect, an increase of approximately 25 per cent in the number of workers employed. Some other large employers have switched to a six-hour basis but a few have attempted to keep up the purchasing power of employees through wage increases.

A number of industries have been forced to work sections of their forces on a part-time basis but large employers of labor have found relatively few salary cuts necessary.

Others have found a change from an hourly rate to a piece-work basis a workable expedient.

Some industrialists frankly admit that they have not solved the labor problem. They are studying it carefully and



hope to solve their immediate problems soon. Because those who are in this situation prefer not to be quoted, some of the expressions which follow appear anonymously.

It should be pointed out, however, that their desire not to be quoted at this time is in no sense an evasion of responsibility or an attempt at secrecy.

The American Telephone and Telegraph Company has not considered reducing the wages of its thousands of employees, according to E. F. Carter,

in 1929 which required a substantial increase in our organization and construction program.

"It was not economical to discontinue our construction work. In fact, we desired to continue it to put some margin in our plant and to maintain employment as far as practicable. As a consequence, our 1930 construction program was kept above normal. As we get ahead of the demand for service a reduction in construction work and construction forces necessarily follows. It is

expected, however, that our construction program will continue to compare favorably with an average for the past five years.

### Work is distributed

"SOME surplus force has developed in our operating organization due to a slight falling off in the business handled in certain areas. We have met this situation successfully in many instances by distributing the work among the employees. In some cases, employees, who were engaged for a temporary period and with full knowledge that employment would terminate when certain work was completed, have been laid off if they could not be transferred to other jobs.

"Also the slowing down of our construction activities has required some reduction in our construction forces. This reduction has been brought about largely by not replacing normal losses from the forces. We have had to lay off some of these employees because there was no further work of the type for which they were trained. Practically all of such employees have been with us only a short time. More employees have been hired during the year than the total number laid off, including

**The American Telephone & Telegraph Company has continued its construction work**

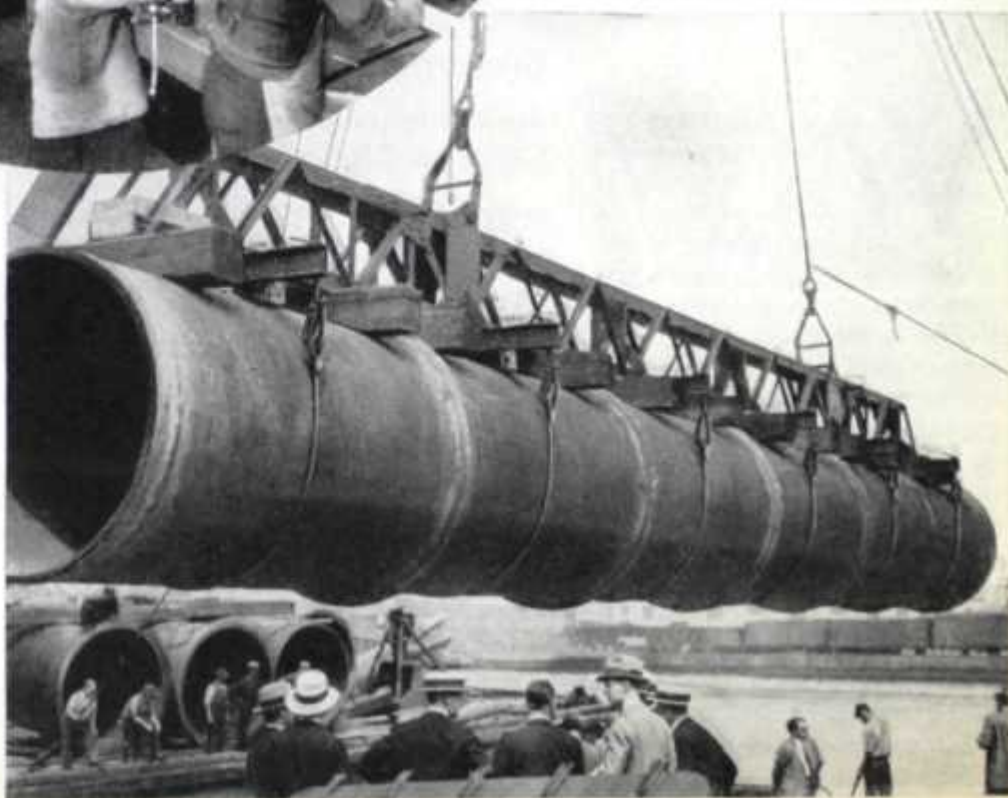


**A number of industries have worked part of their forces on part time**

vice president. Mr. Carter says:

"Our experience under present business conditions is not wholly comparable with that of other industries as I understand the situation. It is true that the volume of our business has been affected, but on the whole it has been more of a slowing down of normal growth than an actual setback below the previous levels.

"Our employment situation in 1930 was complicated by the abnormal growth experienced





a good many cases of rehiring."

Few notices of wage increases have been posted on factory bulletin boards in the past half-year. However, The Kellogg Company, of Battle Creek, Mich., announced that, along with a change from an eight- to a six-hour basis, the basic hourly rate would be increased 12.5 per cent and a minimum wage for male employees established of \$4.00 a six-hour day. President Lewis J. Brown estimates that this will keep the purchasing power of employees at a higher point than it was a year ago, on account of decreased commodity prices despite the fewer hours worked. He also reports his company is increasing its personnel about 25 per cent. After several weeks' trial increased efficiency made possible by the shorter and continuous working period shows increased bonus earnings thereby bringing the average weekly pay to 97 per cent of the average eight-hour earnings.

### Smaller individual earnings

ONE of the largest automobile manufacturers says that his company has not reduced wages or salaries but, due to part-time employment, individual employees' earnings have in some cases decreased.

Pointing out that 1928 and 1929 were flush years in the automobile industry, the same spokesman says that there were rapid increases at this time in personnel. In view of this, a retrenchment program was undertaken on the following broad lines:

No new employees were added to the pay roll except in some specialized occupations where present employees could not qualify.

As you know, labor turnover is rather high in all industries, but somewhat higher in the automobile industry because of its rapid growth. Adding fewer employees to the pay roll brought a reduction in force without laying off employees.

Employees with short service, married women in cases where some other member of the family was working, men without families and the less efficient employees were laid off.

When the force was decreased to a point where further reduction would work a distinct hardship on employees who had family and financial responsibilities, hours were reduced. A special effort has been made to maintain a weekly schedule of 36 to 45 hours.

The salary pay roll has been reduced in proportion to the manufacturing and factory pay roll.

Turning to another of the country's basic industries, steel, let us see what a leader in that field has to say. E. G.



TALBURT IN THE WASHINGTON NEWS

"Kicking the Cow Won't Make Her Give More Milk"

Grace, president of Bethlehem Steel, speaks for his company:

"Methods of achieving regularity of employment will naturally differ in various industries, but the fundamental principle of the steady wage is a paramount concern of any competent management.

### Keeping work force intact

"BETHLEHEM has, in the past several years, directed increasing effort to the maintenance of a steady working force. Labor turnover represents wasted man power and it is a vital concern to business to keep its force intact as far as is feasible. In our own company, our labor turnover has been gradually reduced until it is only one-sixth of what it was ten years ago. When business is inactive it is our policy, as far as practicable, to keep everyone on the pay roll, even though operations are on a part-time basis. Under conditions which have existed during the past few months, everyone in the country has felt the slackening, but the program of part-time employment is assuring to every

man at least a minimum income basis.

"The employee has a further advantage in this system. He is retaining his present job without the loss of time and anxiety which attend looking for new employment. As his wage rate is not decreased, he has the assurance of benefiting from better times as soon as full-time employment is again feasible.

"Some of our operations are running at a good rate, and the part-time policy is put into effect only in departments on reduced operations; this in the older days would have resulted in extensive lay-offs and harmful unemployment. The size of our present employment roll indicates that virtually all of the steady workers have continued in employment. This means that, as business improves, we have a trained force of competent men ready to carry on, without the losses involved in training new employees.

"The immediate value to industry and its employees of a stabilized working force is but one phase of the situation. Industry's service to the prosperity of the individual, and the maintenance of

(Continued on page 128)



# SINCE LAST WE MET ★

## DECEMBER

- 10 • LONDON reports that Rhodesian Congo Company has completed details for taking over N'Changa and Bwana M'Kubwa copper mines. They have the largest ore reserves in the world, estimated at 500,000,000 tons.

COPPER down cent a pound to 11 cents.

UNFILLED orders U. S. Steel as of November 30 were 3,639,636 tons, an increase of 157,873 tons over October 31.

- 11 • BANK of United States, deposits about \$160,000,000, closes. Had 60 offices in New York City.

BROWN BROTHERS AND COMPANY, W. A. Harriman and Company and Harriman Brothers and Company consolidate as Brown Bros. Harriman & Company. First named firm is nearly 100 years old.

CHICAGO AND ALTON sold for \$73,000,000 to B. & O. at auction in Wilmington, Illinois. Only bidder.

- 12 • INTERSTATE Commerce Commission approves the Denver and Rio Grande Western acquiring the Denver and Salt Lake. Denver and Rio Grande Western is a Van Sweringen property.

- 13 • NATIONAL Association of Manufacturers says 939 companies employing 477,499 persons on their pay rolls reported that they were working at 87 per cent of normal capacity.

- 14 • FOREIGN TRADE COUNCIL says export trade of the world for 1930 will be about 22½ billion dollars, a drop of 8 per cent from 1929 but an increase of 16 per cent over 1925.

BUREAU of Labor Statistics says employment fell 2.5 per cent in November. Pay roll drop was 5.1 per cent.

- 15 • WORLD steel output 1930 will be about 94,705,000 gross tons a drop of 19 per cent. Authority, the *Iron Trade Review*.

- 16 • GENERAL MOTORS sales to dealers in November increased over November 1929.

## DECEMBER

Sales to consumers for November below November 1929.

BUREAU of Labor Statistics reports that average of wholesale commodities dropped 2½ per cent in November.

- 17 • STEEL buying for future use gains according to *Iron Age*.

STOCKS, after two weeks sagging, jump up in a 5 million share day.

- 18 • SILVER at a new low of 31¼c an ounce in the New York market.

GOVERNMENT asks bids on March 4 for Hoover Dam power plant and works at Black Canyon.

MUSSOLINI, admitting Italy's unhappy financial condition, blames the United States. Says our trouble is we produce by machine power but can consume only by man power.

ATLANTIC lines cut fares for higher class accommodations from 10 to 50 per cent.

- 19 • RAIL BROTHERHOODS consider merging with Federation of Labor.

GERMANY'S surplus of exports grows. Her favorable balance of trade for first 11 months was 1,420,000,000 marks. Great Britain's imports for November were off 25.6 per cent. Exports off 30.2 per cent. Wheat at Liverpool lowest since 1855 with single exception of 1894-95.

SEARS, ROEBUCK annual catalog cuts prices 6 to 18 per cent. Examples: tires down 14.5; underwear 17.7; silks 27.5; flashlights 13.3. Sheets, sold at 84 cents in 1917, at \$1.98 in 1920, are again 84 cents.

PRESIDENT HOOVER signs national relief bills—\$116,000,000 for national construction work; \$45,000,000 for drought aid.

- 22 • BANKER'S TRUST COMPANY of Philadelphia, with deposits of \$42,500,000 reported on September 24, closes. Had 19 branches.

STANDARD of New York cuts gas prices in New York and New England from 1 to 3 cents a gallon.



# A Business Record December 10 to January 8

## DECEMBER

FARM BOARD takes credit for maintaining wheat prices. May delivery in Chicago is 25 cents above Liverpool where prices are lowest in 35 years.

- 23 • FEDERAL RESERVE of New York cuts rediscount rate to 2 per cent.

CHELSEA BANK of New York with deposits of \$18,000,000 closes. Eleven banks in New England and the South close.

SEABOARD RAILWAY in receivers' hands.

- 25 • DEPARTMENT OF COMMERCE reports that losses on retail open credits were only .6 of 1 per cent for first half of 1930.

SOME WESTERN railroads to try second class fares at 2 cents a mile.

- 26 • CLEARING-HOUSE banks in New York cut interest rates to depositors  $\frac{1}{2}$  of 1 per cent.

TWENTY-FIVE-year-old ban on corn sugar in prepared foods raised by Secretary of Agriculture.

- 27 • CLEVELAND RESERVE BANK cuts its discount rate from  $3\frac{1}{2}$  to 3.

- 29 • HOLIDAY trade in the New York Metropolitan area was  $4\frac{1}{2}$  per cent smaller by value than in 1929.

SIXTY-SEVEN railroads report net income for November off 26.5 per cent from November 1929.

OHIO COURT enjoins merger of Bethlehem Steel and Youngstown Sheet and Tube.

- 30 • PRESIDENT HOOVER announces that a four-system railroad consolidation for the East except New England has been worked out. Pennsylvania, B. & O., New York Central and the Van Sweringen lines the central figures.

WITH FREIGHT carloadings down 13 per cent from 1929, the railroads increased their capital expenditures in 1930 \$21,000,000 over 1929 and \$198,000,000 over 1928.

CENSUS OF MANUFACTURES for 1929 put value of products at \$69,400,000,000, an increase of 10.7 per cent over 1927.

## JANUARY

- 1 • S. PARKER GILBERT becomes a member of J. P. Morgan and Company.

- 2 • NATIONAL Biscuit Company gets Wheatsworth.

SHIPPERS' Regional Advisory Boards figure that car requirements for first quarter of 1931 will be 380,607 cars under 1930, a drop of  $5\frac{1}{2}$  per cent.

MARKET opened the new year with rises in stocks, bonds, wheat, corn and cotton.

BANK OF FRANCE cuts discount rate to 2 per cent. Same as New York rate.

- 5 • NEW BANKING group headed by Harvey D. Gibson of New York Trust Company takes over Manufacturers Trust Company of New York with deposits of about \$200,000,000.

- 6 • ROOSEVELT Steamship Company takes control of the International Mercantile Marine.

CARLOADINGS for week ended December 27 were 538,419 as against 639,389 in the same week of 1929.

STOCKS listed on New York exchange declined in value \$4,290,981,455.

STEEL reports a sharp upward move.

AUTO production in December 150,000 units, gain of 16,000 over November and a reversal of seasonal trend.

- 7 • ST. LOUIS Federal Reserve Bank cuts rate from  $3\frac{1}{2}$  to 3.

R. G. DUN AND COMPANY report bank failures for 1930 at 934 as against 437 in 1929. Liabilities were  $4\frac{1}{2}$  times as great.

- 8 • NET INCOME of railroads for first eleven months of 1930 dropped 30.6 per cent from \$1,202,707,000 to \$834,510,000.

VISCOSE COMPANY largest maker of rayon, cuts prices from 15 to 35 cents a pound. Others expected to follow.

INTERNATIONAL sugar cartel seems assured. Germany last to agree to reduce output.



# The Majority Is Always

A stockbroker's story as told to Fred C. Kelly

ILLUSTRATIONS BY TONY SARG



IF YOU are one of the men who believe they were born with a gift for making money in the market, perhaps this story will save you money. But the man who tells this story doesn't think so. You will go on making the same old mistakes, he says, no matter how good his advice. However, whether you believe him or not, it's an interesting recital

**A**FTER nearly 30 years' experience as a broker, I am convinced that the majority of persons in the stock market at any one time are almost sure to be wrong. Those who have the most money in the market are too clever to permit the public to hold the upper hand for any considerable time.

Every man who goes into the market should do so knowing that unless he is a rare bird—so rare that he is only one in every 35 or 40—he will lose plenty of money. You may ask:

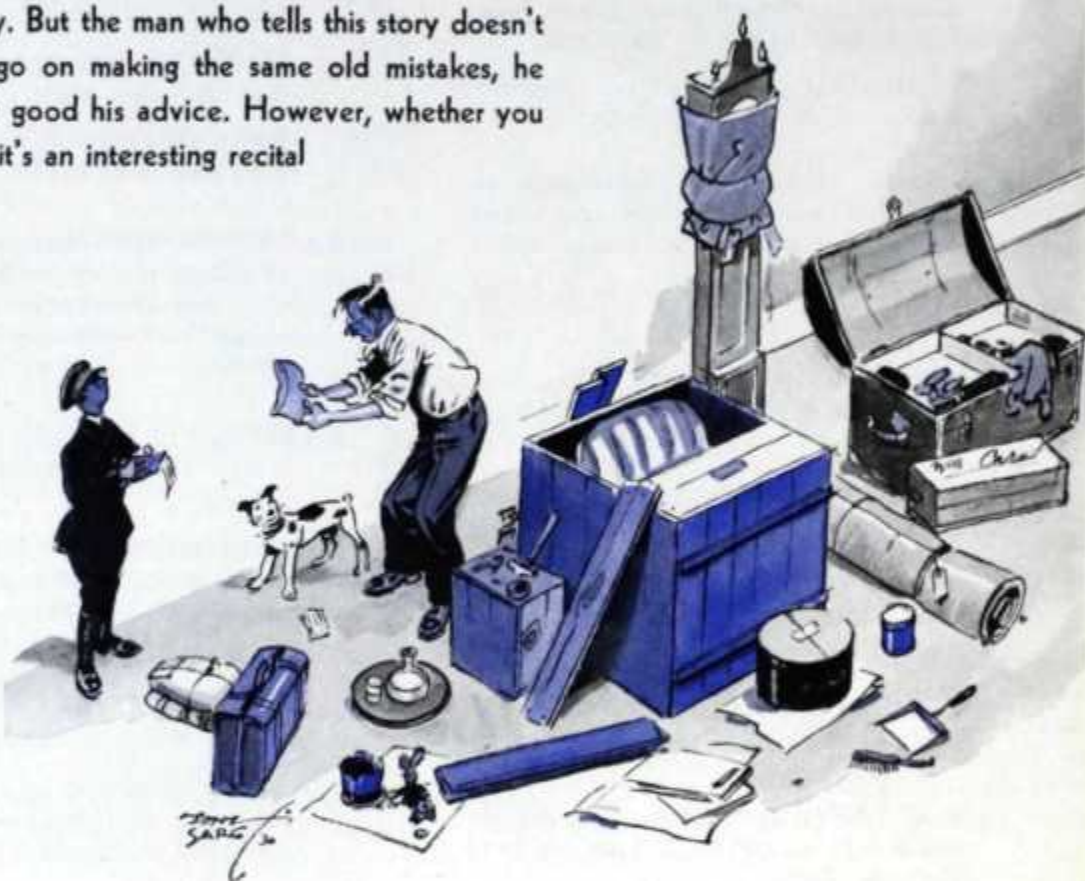
How do I, who am in the brokerage business, dare to make such a statement? It is as if I told my customers that they are all going into losing ventures.

True enough. But the answer is that I would lose no business by this statement even if it were made over my signature because no customer would believe it. Every man who goes into speculation does so convinced that, because of peculiar attributes in himself, he is one of the few who will make money.

I discovered early in my career that the majority of people speculating either in stocks or commodities are likely to lose; in fact, I hit upon a way to make money by doing what the majority were *not* doing.

The immediate results of my discovery were so dramatic that I am not likely to forget them.

When I was about 23 I had a job as telegraph operator for



a brokerage firm in a middle western city. I worked the main wire running from Memphis to New York City. It was part of a wire system covering the entire country. This was about the time of the great corner in cotton by Daniel J. Sully. The firm which controlled this great wire system had connections covering all the southern and southwestern territory. Every man, woman and child in that part of the country seemed to be interested in cotton.

## Listening in on the orders

ALL cotton orders were wired into Memphis and then relayed to New York. Since our city was between Memphis and New York, all these orders passed over one wire that went through our office. Not only did the wire carry every buying or selling order from the entire Cotton Belt, but it also carried back all confirmations of orders that were actually



# Wrong in the Market



Just as we were nailing up the crates of our household belongings, I got a wire telling me not to come

executed. This wire went right over my desk and I was never too busy to listen to whatever tidings went clicking by.

I used to wonder about the folks who were thus risking their money. I wondered how many won and how many lost, and what the winners did with the money they made, if any. Also, I wondered what happened in a little family council when father came home and announced that all their savings were gone.

In this frame of mind I tried to estimate what percentage of speculators bought before a rise or sold before a decline. I noticed what I at first took to be a mere coincidence—that when the great preponderance of trade was on the buying side throughout the Cotton Belt within from 24 to 72 hours the market would have a sharp break.

But if the great bulk of trade was on the selling side, the reverse would happen.

After two or three days of buying, I could count on the market rising sharply within a few hours. After the second or third day, depending on how great the buying volume had been, a sudden change of trend was certain. In other words, the public was invariably wrong!

This became so noticeable that I began to keep more careful tab on the exact amount of buying or selling. Each morning I took a large sheet of paper, drew a line down the middle, and put the various options ordinarily dealt in at

the top of the sheet on both sides. I didn't pay so much attention (except mentally) to the orders that went to New York but kept close track of the reports that came back from New York.

I put the purchases on the left side of the vertical line and the sales on the right. Then, after the market closed, I balanced up my buying and selling columns. If the buying and selling were about even, I disregarded it; but if most transactions were on either the buying or selling side, then I kept accurate record of the total figures and added them to those for the next day.

## Selling made high prices

AFTER two days of heavy selling, I found that a rise in price might be expected the next forenoon. Frequently a third day of heavy selling was required before prices advanced sharply. This depended on the volume of selling during the first two days. After studying the figures a little while, I could pretty nearly tell at a glance whether a third day would be necessary before the market turned in the opposite direction.

What shocked me was that the selling should have been so one-sided in the Cotton Belt just when a well-informed person should have been buying. In a general way, as I now recall the figures, after 75 per cent of all transactions had been on the buying side for two or three days, the market was likely to open up 30 or 40 points below where everybody had been buying. But if the selling had comprised 75 per cent of the business going over the wire, then, with scarcely an exception, the market would have a rapid advance.

For several weeks I kept my records. We had not yet developed much cotton business but we had had one unfortunate customer, the son of a wealthy manufacturer.

This young man, whom we may know as Kimbrough, had been under the impression that he possessed important sources of information about the cotton market. Because of this belief he kept risking his money, buying or selling invariably at the wrong time. He had lost \$10,000. He philosophically accepted this loss and again devoted his time mainly to his regular business.

I couldn't help thinking of this customer. He had money but no knowledge and I had stumbled upon an almost incredible piece of knowledge but had no money. Maybe we should work together!

I had never met the customer. He was considered the client of another man in our office. I went to this man, and told him that, if he had no objections, I had a notion to get in touch with his client, as I thought I saw a way to win back his money.

The man had no objections.

I then telephoned to the customer and said:

"Maybe you've had enough of cotton speculation, but I have some information that might help you to recover all you lost. I can't tell you what the information is, but if you



care to place, say, \$2,000 here to be used at my discretion, I believe I can get back your losses."

Without hesitation, he replied:

"All right, I'll take a chance on you. I'll shoot the money right over."

Less than 20 minutes later, a colored messenger showed up with the money, all in cash, in a heavy manila envelope.

### \$2,000 grows to \$77,000

IT SO happened that the money arrived late in the afternoon, at a time when the selling throughout the Cotton Belt had been in tremendous volume for two days. Just before the market closed, I bought 1,000 bales of the July option.

The next morning the market opened 20 to 30 points higher, and, before the day ended, advanced about 20 more. I closed out those 1,000 bales shortly after the opening with a profit of a little more than \$4,000. Buying was heavy nearly all that day. A lot of short sellers of the previous day or two were wildly covering, and just a few minutes before the market closed I sold 500 bales short. The next morning, I covered that short sale with an additional profit of between \$1,200 and \$1,500.

For two weeks I followed my plan. The original \$2,000 had grown to about \$15,000. As I saw the account growing, I became bolder and traded more heavily. Once I bought just before the close of the market one afternoon and sold immediately after the opening the next morning, with a profit of \$13,625.

In 90 days I had built up the account to more than \$77,-



"For heaven's sake," I said, "don't let anything slip about how I happened to do so well in cotton trading"

000. I called up Kimbrough, and asked him if he knew he had \$77,000. (He had already drawn out his original \$2,000, making everything on our books net profit.)

He laughed and said:

"Oh, yes, in fact I've got a lot more than that. Every time you have done anything for me, I have called up a bucket shop and bought or sold, just as you did, only in smaller amounts. I have made \$27,000 there."

Thus his total winnings were \$104,000!

The next day he came over and got a check for his profits.

Even more amazing than the size of the account was the fact that the account at no time showed a loss on any trans-

action. Every time I bought, prices advanced; and when I sold short, the market almost immediately declined. I began to have dreams of treasure and empire. Kimbrough had dropped in a few times and handed me what he said was "a small present, on account." These little tokens were usually \$50. Once he gave me a \$100 bill. But the total I had thus received from him in return for winning him \$104,000 was less than \$500.

Still, I didn't worry about that. For the time being, I was content to have the opportunity to try out my theory. But I made up my mind that before long I would ask him to place \$10,000 to my credit, as a sort of loan, with the understanding that any profits in that particular account would be my own. I would pay him back his \$10,000 and then—why, within a year I would be rich.

About this time the head of the firm for whom I worked noticed the one successful cotton account on our books. He was pleased, because the customer was doing well, and also because our numerous transactions represented large commissions. The boss was of Scotch descent. He never speculated, for he had a horror of taking any risk. All he wanted was the commission which every customer paid us on each transaction.

I did not want to tell him how I had been so successful in that cotton account; but he pressed me for the answer until it became embarrassing to refuse him. After cautioning him to keep my secret, I told him. The whole thing made a big hit with him.

One afternoon he remarked that he was going to Chicago on business and would see Ben, a member of the firm which controlled the big wire system that went through our office.

"For heaven's sake," I implored him, "don't let anything slip about how I happened to do so well in cotton. If you give that away, we'll lose the wire."

### Lost the wire

"OH, no," he assured me, "I won't say a word. You don't need to worry about that."

"I'd worry a heap about it if I thought you were going to give away my secret," I said.

Again he promised me that he would be cautious. He was gone two days. When he returned, the first thing I asked was, "Did anybody ask you about our cotton business?"

"Oh, yes," he replied, casually, as he felt in his vest pocket for a cigar, "and they wondered

where we were getting so much business."

Desperately, hardly daring to listen to his reply, I said, "You didn't by any chance give away my secret, I hope."

"Oh," he said, "I couldn't help telling Ben a little about it, and he was amused over it. But it won't make a particle of difference. As I told you, all they want is the commissions."

I managed to control my temper and all I said was:

"Well, you broke your word to me—and now they'll yank the wire out."

"There isn't a chance of that," he declared.

"You'll see," I said.

(Continued on page 98)



# How Shall Directors Be Chosen?

By MALCOLM C. RORTY

Vice President, American Founders Corporation

ILLUSTRATIONS BY GEORGE LOHR

**TODAY'S** big corporations are owned by thousands of stockholders. But how much do these stockholders have to say about who the directors shall be? How can the public's interests best be protected?

**A** VERY original executive of my acquaintance, now some years retired from active work, used to disrupt solemn conferences that were called to discuss ways of doing some particular thing by asking in a very innocent manner, "Why do it at all?"

This inquiry is pertinent to many discussions which aim at definite and rigid solutions of problems that, from their very nature, must work themselves out by compromise and adjustment rather than by rule and regulation.

It is quite possible that the question of imposing an adequate and reasonable control upon corporation management falls within this special category and that a policy of observation and watchful waiting is desirable rather than one of direct and positive interference.

## Capital doesn't manage

**NEVERTHELESS**, the changes that have taken place in the past few years are so radical in degree, if not in kind, that discussion is inevitable.

Not many years ago, capital made at least some pretense of managing. Today, in all large corporations with widely distributed shareholdings, management itself is almost wholly dominant. Furthermore, with the increase in great holding companies, managements are controlling whole industries through ownership of a constantly decreasing percentage of the total capital involved.



Today managements are able to expand their control seemingly without limit

Paralleling this development, shareholders, even when they own their shares directly rather than through the medium of investment trusts or other agencies, are ceasing even remotely to concern themselves with the management of the companies in which they are interested. They approve the quality of management by voting up the quotations of a company's shares on the stock exchanges and they disapprove by unloading their shares. But otherwise they interest themselves mainly through a perfunctory signing of proxies, and only on rare occasions by direct action when appealed to for support in a struggle between rival managing groups.

## Shall public opinion control?

**IN THE** great public utilities, control by stockholders has almost completely vanished, although, in place of this, managements are becoming increasingly sensitive to control by public opinion.

To some extent this same control by public opinion is effective in the vital key industries, but, in the great majority of industrial and commercial undertakings having widely distributed shareholdings, successful managements are strongly entrenched, the public as a whole is little interested, and such control as there is by shareholders is exercised only laboriously and with difficulty when the balance sheets indicate an

approaching crisis in a corporation's affairs.

All these are facts that every student of recent business developments has recognized. In the past, as at present, strong managements constantly strove to expand their power and the scope of their operations, but these developments were al-





ways tempered and restrained by the necessity for a slow building up of a considerable element of capital control.

### Banks check poor management

TODAY, with the increasing perfection of our financial machinery, with the spread of the habit of investing in common shares throughout the whole mass of our population, and with the increasing development of holding companies, successful and capable, or even merely popular, managements are able to expand their control seemingly without limit.

There are, nevertheless, many checks and balances which temper the situation. Great banking houses will not lend their reputations to the financing of enterprises or expansions that are obviously lacking in economic justification, or that are clearly contrary to the public interest. Investment experts, as a class, are becoming increasingly critical of organization plans and of the quality of management, and their condemnation is evidencing itself with increasing promptness in popular disapproval of falsely conceived or badly managed enterprises.

The new type of manager, himself, is fundamentally of the constructive rather than the purely acquisitive type and he operates in a glare of publicity that, in itself, serves as a powerful restraint against any flagrant misconduct.

On the whole, therefore, the new picture is not fundamentally bad. Yet it is developing so rapidly, and involves such basic changes in our fundamental business concepts, that criticism of the new scheme of things cannot be avoided.

To attempt even an analysis of the situation is, however, none too simple. Like many new things, this particular

new thing is, in a sense, very old. The resemblances between politics and business are greater than the differences. It is a fundamental theory of sound politics that any system of choice or succession of the ruling group is good which makes it certain that those in control shall be truly representative of the majority of real power in the political unit. It is furthermore desirable, in the interest of effective and unified action, that administrations in power shall be able to intrench themselves and to strengthen their positions within reasonable limits. But, in the reverse direction, it is necessary that the right of revolution shall be maintained and that the path of the revolutionist shall not be too arduous.

On the whole, these political principles seem to apply in large degree to the new dominance of management in the business and industrial world. Managements should be able to intrench themselves within reason, while, on the other hand, revolutions against management should not be too difficult. The problem, like all other real problems, is one of compromise.

There is, however, one outstanding difference between business and politics. If the political citizen is dissatisfied with his government, he cannot easily emigrate and choose a government more to his liking. The corporation shareholder, on the other hand, can shift his allegiance in ten minutes through the medium of any stock exchange.

This distinction is vital and, if we are to apply our political principles to business and industry, we must begin by determining who are the permanent citizens of industry. The great majority of shareholders are transient or inactive. They have a general interest in protecting shareholders as a class, but they

ordinarily have no major or special interest in their rights as shareholders of any particular corporation. Furthermore, in so far as they have semipermanent interests in any particular investments, they look increasingly to the investment bankers through whom they deal, or to the institutions through which their investments are indirectly made, to protect those interests.

If, therefore, we wish to think in terms of facts, we must realize that, while the legally established mechanism for the election of directors by shareholders should undoubtedly be continued, the individual shareholder has largely surrendered, and will continue to surrender, his power in favor of the investment banker and the investing institution.

### Ruling citizens of industry

FROM a practical standpoint the permanent citizens of industry are, therefore, the investment bankers, the investing institutions, an occasional large individual shareholder, the junior officers and the employees of the corporation, and, in the case of the public services and the key industries, the public as a whole.

The investment bankers and investment institutions, acting in consultation with the larger shareholders, function perhaps more adequately than is generally realized to protect the smaller shareholders and investors. New flotations may occasionally be open to criticism, but the cases are rare, indeed, in established and going corporations, where the bankers, in consultation with the larger and more actively interested shareholders, have not used, and do not use, their power to the best of their judgment and special knowledge in the interest of all shareholders. Underwrit-



The new type of manager operates in a glare of publicity that serves as a restraint against misconduct



ing fees may be occasionally somewhat more than ample, but the larger banking houses are likely to be particularly scrupulous in assessing such charges against corporations whose financing they control.

On the whole, therefore, it is probable that these self-constituted representatives of the small shareholder protect his interests more efficiently and more thoroughly than he could if he acted in person. Furthermore, if any provisions are desirable to enable an entrenched management to be more easily ousted, it seems certain that such provisions should be only those which experienced investment bankers would recommend. To make the path of revolution against an established management too easy would be to risk setting up in the industrial field the equivalent of the political demagogue.

In line with this point of view, the critical attitude of the New York Stock Exchange toward financial structures which attempt to concentrate voting power in an unduly small proportion of a corporation's capital, represents perhaps, for the time being, an adequate check on the power of managements to intrench themselves.

### Votes of employee and public

WHEN we come to consider the giving of a measure of control over management to the other groups of industrial citizens—the officers and employees of the corporations, and, in the case of the utilities and key industries, to the general public—the problem is less simple.

From a practical viewpoint it seems certain that a working majority of control should rest always in the hands of the invested capital. Yet many corporation managers would seriously consider the granting of a minority representation on their boards of directors to the junior officers and employees, and many utility managers would be glad if they might have, on their boards of directors, really competent and qualified members who should represent the interests of the public as a whole. The difficulty is not so much of unwillingness to have such minority representations, as it is to establish the procedure under which these appointments might be made.

It is easy to suggest that our great corporations might ask those in political power to name, in each case, one or two



The corporation shareholder can shift his allegiance in ten minutes

directors to represent the public—that our great railways and national public service corporations might ask the President of the United States to select a public representative to sit on each board of directors. This, however, is at best a pleasing fantasy, for who shall be sure what future presidents would be like, or how strong the temptation might be to find a directorate for a lame duck senator?

A more plausible suggestion has been made that managements might request certain associations, such as the American Management Association, the American Economic Association and others, to nominate directors to represent special points of view.

It is highly probable that, if such associations were asked to nominate directors of business corporations, they would subject themselves in time to internal difficulties and the danger of disruption through struggles to control such special appointments. The various banking associations are perhaps the only organizations of this general type that could make such appointments without seriously

increasing their own internal difficulties.

If, then, in view of the preceding, we eliminate the possibility of corporation directors being nominated by voluntary associations, and, if, for other obvious reasons, we eliminate also the possibility of appointments by governmental agencies, the only remaining possibility is for managements themselves to nominate certain directors to represent, in the discussions of their boards, certain special viewpoints. Consciously or unconsciously this very thing is, in fact, already being done in many instances; and if any conclusion is possible from the present analysis, it is perhaps that managements, in making up their annual slates, might perhaps to advantage give more definite consideration to the appointment of directors who should rather informally be constituted special pleaders in the discussions of the board for the interests of the general public and the corporation personnel.

### Two classes of directors

SO THEN we shall find, perhaps, that boards of directors of our great corporations, with their tremendous number of shareholders, will divide themselves into two main classes—the directors who represent capital, and those who might be described as consultant or specialist directors. The former will largely be selected by the management in consultation with the investment bankers, with the inclusion of some directors who are either large individual stockholders or who represent such stockholders—al-

though when one recalls that no individual stockholder owns as much as one per cent of the stock of one particular great corporation it is easy to believe that few men can claim an uncontested right to represent themselves on such a directorate.

As to the consultant director, his importance is plain. A company manufacturing chemicals might welcome to its board an outstanding consulting chemist or a professor of chemistry in one of our great universities.

Yet a special problem of the consultant director will always be that of remuneration. Many will be unable or unwilling to contribute their expert knowledge for a \$20, or even a \$100, monthly director's fee.





# New Buildings

of silver, it stands against clear heaven; a mountain made by hands. It seems impossible."

"Crag" is the right word. It makes one gasp no matter how often one sees it. Moonlight reflected from its polished sides a quarter of a mile above the street is a sight that can never be forgotten. It is a towering proof that the creative spirit lives today in science and engineering.

## A building of polished armor

ITS beauty lies in two things. First, of course, is its imposing height, 1,050 feet surmounted by a 200 foot observation tower intended as a mooring mast for airships, the highest structure built by man. This, however, is only half the story. What strikes the eye are the thousand-foot strips of silvery, polished steel rising from the sixth floor straight up to the eighty-third. Between them are the windows and the aluminum spandrels, forming broad, black bands between the reflecting sheets.

The windows are not set back behind the masonry to look like rows of holes in a stone wall. They are actually set forward so that the stone forms a background; the building appears to be a huge column of windows framed in silver. On a cloudy day it is even more impressive. Below, in the canyoned streets, the silver strip looks black, shading imperceptibly into gray as the eye follows it upward and becoming a gleaming white at the top.

A few blocks away, the Chrysler Building raises its spiked helmet, sheathed in the same glittering, rustless steel. Both buildings are best seen toward sunset from the New Jersey cliffs. Then they reach up to the sky far above the other towers of the city. Then the mirror finish best serves its purpose, for they glow with all the colors of the heavens.

William Van Alen encased the topmost 20 stories of the Chrysler Building in polished steel, not because he wanted metal but because he wanted a mirror. The result has justified his dream. Like the snow-capped peak of Fujiyama, his tower changes its aspect with the mood of the weather. The dome is part of the sky. On a sunny day it glistens with spots and streaks of brilliant light. On a gray day it fades into the clouds. Toward evening it sheds the radiance of the setting sun over the already darkened streets.

In both buildings the effect is due to a new material, a steel that cannot rust or corrode. Again a product of the research laboratory has found a place in daily life beside rayon, synthetic plastics and artificial leather. When a new material emerges from the laboratory and makes its bow to industry, alert manufacturers receive it with doubt, test it with hostility and sometimes reject it with cynical shrewdness. Perhaps someone tests it cautiously in a minor installation.

If it is adequately financed, it holds attention and eventually someone with courage and imagination defies the



EDDOWES CO., INC., NEW YORK

**William Van Alen encased the Chrysler Building's top in polished steel for the mirror-like effect**

**I**N olden days poets and artists created visions for mankind; today it is the architects and engineers. The medieval cathedrals were built by thousands of artisans to execute a great popular vision. For generations the growth and creation of a cathedral was part of the common life of the town. Today the dream is written in mathematics and blue prints. A monumental structure arises within a few weeks and comes as a revelation to all who are not on the lot. The poet has no part in its creation. Like the rest of us he is astounded and his task is to interpret the new cathedral and bring it home to us.

So Christopher Morley, with his zest for the spirit of the day, has seen the vision of the Empire State Building in New York:

"That high consummation of unbelief, modestly under-described by the artificers as 'An office building of character,' makes a day in New York seem all morning. It holds the sunlight later than it ever stayed before. Even if your thoughts were on the ground, you are aware of a new presence. Your eyes are lifted up by that amazing crag. Pale and sharp-cut, Euclidean paradise of solids, veined with parallels



# Arrayed in Shining Armor

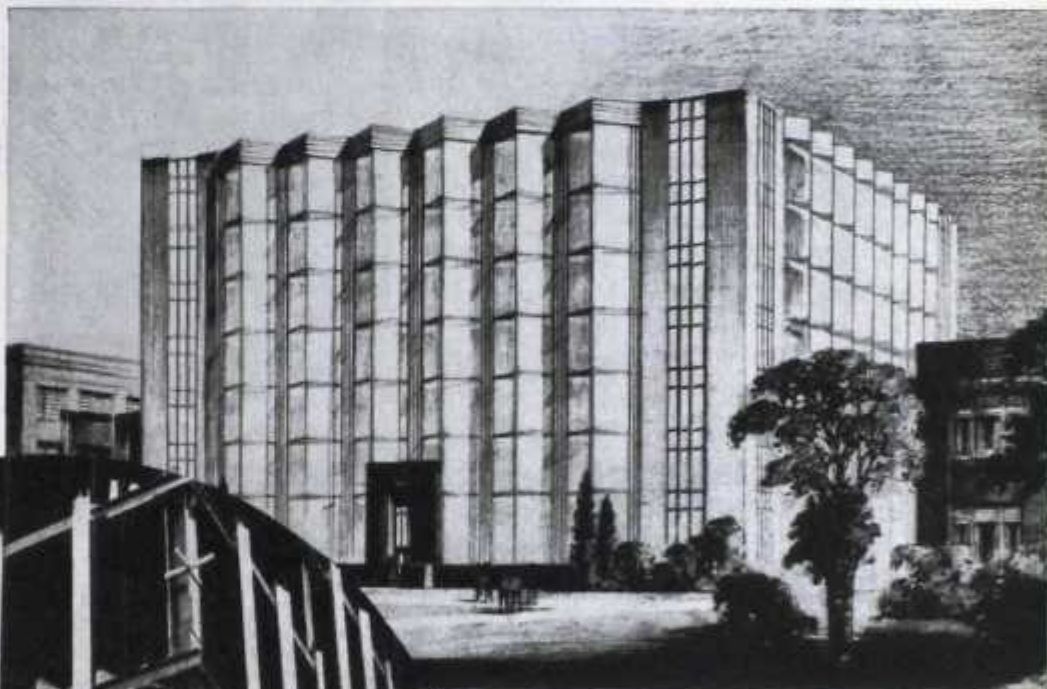
By GERALD WENDT

Author of "Matter and Energy", Editor of "Chemical Reviews"

cynics and makes bold use of it. If it is a structural material and the brave man is an architect, the world suddenly sees a phenomenon.

Thus architecture faces a new era. The coming World's Fair in Chicago will have as its central feature an imposing waterfall tower of steel and glass. The Travel and Transport Building will have walls of solid metal with no windows. The Administration Building will carry 17,000 pounds of ornamental aluminum in cornices, spandrels, trim, spouts, pilasters and stair rails. The A. O. Smith Corporation of Milwaukee will have a research building with walls almost entirely of aluminum

★ **THE RESEARCHES** of a scientist seeking a new material from which to make pyrometer tubes for steel furnaces have brought notable changes in an old trade. The perfection of noncorroding steel by German science and American engineering points to the sky in the Chrysler and Empire State Buildings and presages a new era in architecture



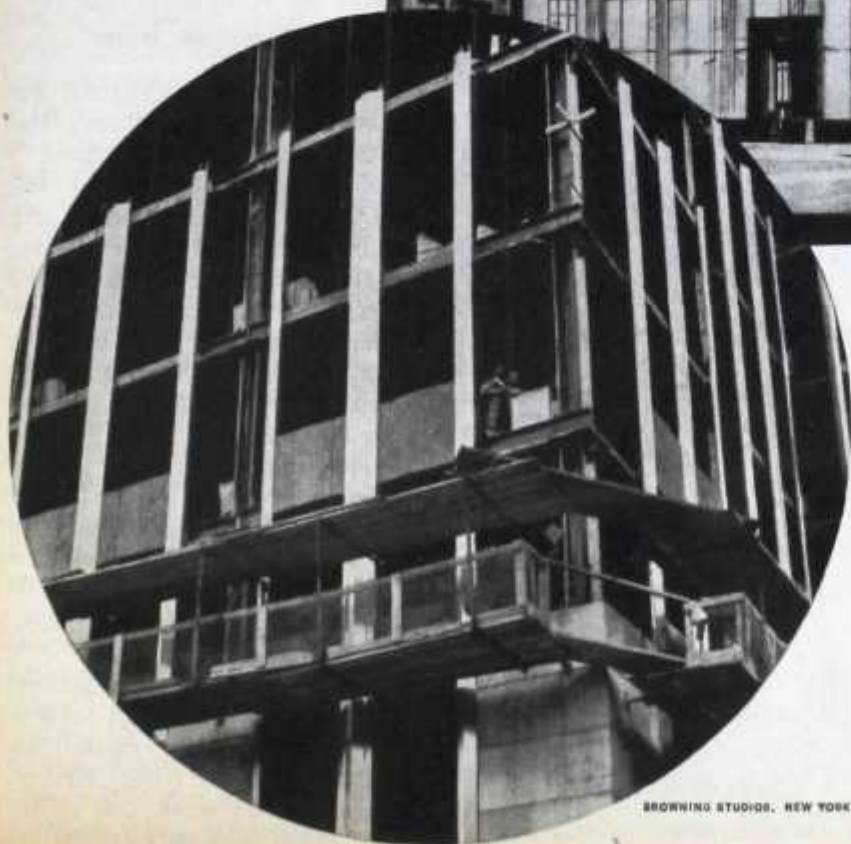
COURTESY ALUMINUM COMPANY OF AMERICA

Aluminum and glass surface this building of the A. O. Smith Corporation, Milwaukee

These polished steel strips form a distinctive feature of the Empire State Building

and glass. The question in the pedestrian mind is whether the problem of corrosion has really been solved. For centuries the greatest obstacle to the use of steel has been its rusting. Perhaps 40 per cent of the millions of tons of iron manufactured annually is to replace what was ruined by corrosion. Has this problem been solved? Can steel be made permanently rustless?

Technically this question was answered 18 years ago. Brearley, at Sheffield, England, seeking a rustless alloy with which to line gun barrels, produced a stainless steel which contained about 15 per cent of chromium. When polished



BROWNING STUDIOS, NEW YORK



it does not rust or tarnish and it is widely used for cutlery but is not fabricated in structural forms. At the same time Elwood Haynes, of Kokomo, Ind., produced experimentally a stainless iron containing chromium, while Strauss, at Essen, in Germany, was developing similar steels containing a small amount of nickel. Krupp, Sheffield and Haynes have been producing these stainless metals for use in many special purposes. The new noncorroding steel has a different story.

### An alloy for high temperature

SOME time before the war the research laboratories of the great Krupp steel plants in Germany were given the minor problem of finding a new material for the pyrometer tubes used in the steel furnaces. Here the control of temperature is of the utmost importance. But to measure the temperature of molten steel requires a special pyrometer and a material which is not affected by heat or acid fumes.

In solving this problem, Dr. Benno Strauss, then assistant director of the research laboratory, developed an alloy of iron, nickel and chromium. The first patent was issued to him in 1911. The metal was exhibited in the exposition at Malmo, Sweden, in 1914 and its first industrial use was for pumps and valves in the great Leuna works in the manufacture of nitrates on which the Germans depended for their supply of explosives during the war.

Its first use in architecture came somewhat after the war when a three-story building in Essen used it for store fronts. From this it leaped at once to the pinnacle of the highest structure in the world.

The American patents issued to Dr. Strauss and the Krupp Company were confiscated in the course of the war by the Alien Property Custodian and were sold to the Chemical Foundation. Thus they became available to all producers and manufacturers in this country. As early as 1916 the Crucible Steel Company

of America began to produce chrome-nickel steel and carried an exhibit in the first exposition of steel treaters. The Central Alloy Steel Corporation was also a pioneer, while the Allegheny Steel Company, under the leadership of H. E. Sheldon, began an active development some five years ago.

More recently, Krupp Nirosta Company, Inc., was organized to operate under the original Krupp patents together with the post-war patents issued to the Krupps and the Armstrong and Johnson patents which were pooled with this company by the Ludlum Steel Company and the Crucible Steel Company of America.

These supplementary patents deal with heat treatment and analysis. The leading producers in this group are the Republic Steel Corporation, the Crucible Steel Company of America and the Ludlum Steel Company, together with other producers and a long list of licensees turning out bars, plates, sheets, tubes and finished products through fabricators.

The basic factor in these new steels is the use of the metal, chromium. This is itself hard and tough and has only recently been developed to a point where it can be plated on steel to give it a polish free from tarnish. Chromium-plated

steel has in the last few years become popular for plumbing fixtures, railings and other interior uses where polish is desirable and wear is not severe. Plated metal, however, cannot be called permanent and is, therefore, not available for construction purposes.

The original stainless steels contain 12 to 18 per cent of chromium and .25 to .50 per cent of carbon. This metal resists corrosion but, as it is not ductile enough to allow fabrication into industrial forms, its chief use has been in cutlery.

### Stainless irons

THE NEXT development was made by the Allegheny Steel Company which produced a similar alloy containing less than .12 per cent carbon and, therefore, called a stainless iron. This is much more ductile and is, therefore, suitable for machinery parts such as chemical engineering equipment, tanks and containers, fans and blowers, steam engine and automotive engine parts, smoke stacks, fire escapes and roofing. It resists corrosion but it does tarnish. It is, therefore, still inadequate for all uses where a polished or ornamental appearance is needed.

The final development accomplished by the Krupp patents and now on the market as Nirosta under the Krupp Nirosta trade-mark, and as Al-

(Continued on page 88)



COURTESY ALUMINUM COMPANY OF AMERICA

Sections of aluminum pilasters are quickly and easily set into position



Mirror steel is used for the interior finish of the Wacker-La Salle Building in Chicago

COURTESY ALLEGHENY STEEL COMPANY



# Chicago Teaches a Tax Lesson

By SILAS H. STRAWN

Chairman, Montgomery Ward and Co.

PHOTO-CARTOONS BY RITTASE

**C**HICAGO'S recent troubles can be of little general interest except as experience there indicates what may happen in any city if its fiscal machinery gets out of gear.

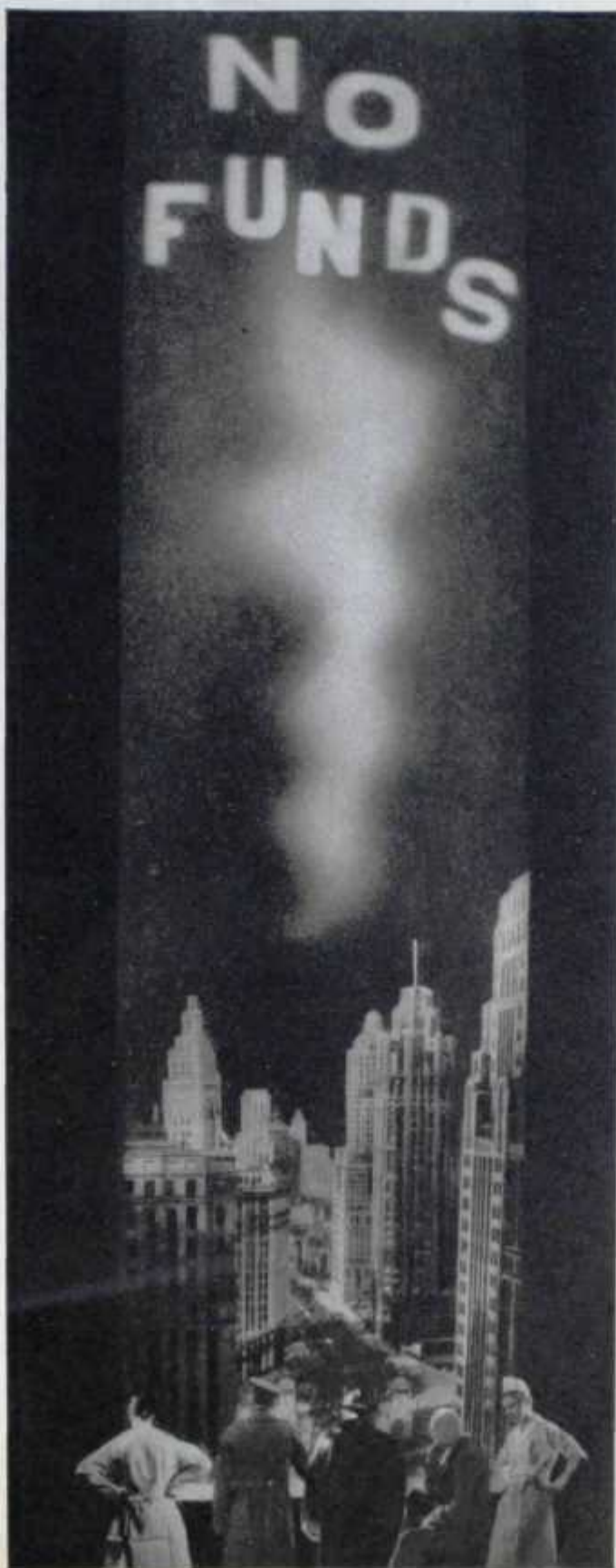
Chicago's difficulty last winter resulted from failure to assess and collect taxes to meet current expenses and accumulated deficits. When a great city regularly spends more than 250 million dollars a year—the chief source of supply being taxes, and no taxes are collected for two years—something must happen.

But to trace the situation from its origin:

Under Illinois law, real estate is valued for tax purposes every four years. The last tax valuation year was 1927. The assessment in Cook County, which includes Chicago, is made by 30 township assessors, whose work is reviewed by the five-man Board of Assessors; the work of the latter, in turn, is reviewed by the three-man Board of Review. Finally the State Tax Commission has supreme jurisdiction over the local assessing bodies.

Four hundred and eighteen different tax creating bodies are now functioning in Cook County. Each has its organization, its officers and its political coterie.

Such a set-up is unwieldy, inefficient and extravagant.



While this vast horde does not necessarily directly affect the assessors' work, each group with its political influence, its desire to get as much money to spend and as many jobs to offer as the situation will permit, influences the assessing machinery.

## Void assessments

THE situation became so bad that the courts, in two cases, held the 1927 assessment void because of lack of uniformity and such gross inequalities as to amount to fraud. As a result the State Tax Commission, in July, 1928, ordered a reassessment. Then followed efforts by politicians to defeat or to delay the execution of the order.

These efforts were manifested in court actions and in every way that ingenuity could devise. Tax "fixers" and petty "grafters," who had, or claimed to have, some influence with the assessing officials, saw that, under the order, their activities would be cramped and ultimately ended. As a result, the assessment for 1928, which should have been completed in the fall of that year, was not completed until May 1, 1930.

Taxes for 1928 were col-

Chicago's policemen and firemen were not paid for two months. Nurses were not paid for a year





Expenditures for local governments alone more than trebled in 15 years. Bonded indebtedness increased five times

lectible between February and May, 1929, and became delinquent May 1, 1929. Obviously, no taxes could be paid until they were assessed.

In December, 1929, a few citizens of Chicago, seeing the peril of the situation, organized a Citizens' Committee to hasten completion of the assessment and to provide against a recurrence of such a condition. Experts were engaged to work out a plan for the better and more prompt assessment of real estate and for a general revision of the tax laws.

In February, 1930, the judges, the policemen, firemen and all other city and county employees had not been paid for more than two months. The nurses in the County Hospital had not been paid for a year. There were no funds to maintain the Old People's Home, the Tuberculosis Sanitarium and other institutions. Supply bills totaling a million and a half dollars had been running for more than 18 months. Merchants threatened to cut off supplies of food and fuel because they no longer could stand the financial strain.

### Tax warrants went unpaid

FOR a number of years, it had been the custom to issue tax anticipation warrants against the taxes to be assessed but the County, the City, the Sanitary District and the Board of Education already had outstanding more than 240 million dollars of such warrants. The warrants issued against the taxes for 1928 were payable in the spring and early summer of 1930. They could not be paid because the taxes had not been assessed. Consequently, efforts to sell more warrants

failed. The situation was desperate. In the emergency, the Citizens' Committee organized the Cook County Taxpayers' Warrant Trust and appealed to citizens to buy certificates of interest issued by the Trust against tax anticipation warrants which the Trust bought from the County, Sanitary District, Board of Education and City of Chicago.

Like the people of other cities, the citizens of Chicago ordinarily give little heed to its municipal affairs, but when they awakened to the seriousness of this crisis, they responded with alacrity.

### Campaigned for city funds

PHILIP R. CLARKE, president of the Central Trust Company of Illinois, headed a campaign which obtained subscriptions totaling more than 75 million dollars for these certificates of interest.

This was considered enough to carry on county and municipal functions and to meet maturing bonds and interest until July 1, 1930, when, it was expected, taxes for 1928 would be coming in and the Citizens' Committee, joining with City and County officials, could obtain from the legislature the necessary relief to carry on civic functions.

The Committee was obliged to call for only 70 per cent of the subscriptions and this amount, some 53 million dollars was repaid to the subscribers plus four and one-half per cent interest, within six weeks after the adjournment of a special session of the legislature at which bills were passed temporarily increasing the tax rates and authorizing the issuance of bonds totaling about 63 million dollars.

Thus, Chicago's credit was reestablished. So much for Chicago.

In my work with the Citizens' Committee I became somewhat familiar with the alarming increase in the cost of government during the past 25 years. This convinced me of the need of awakening business men to the fact that, while they are complaining of too much government in business, they are neglecting the imperative necessity of putting more business into government.

It is my hope that our Chicago experience may lead to the organization of citizens' committees in other cities, not to meet a crisis, but to assure the holders of municipal securities not only of the legality but of the soundness of their investments.

Such committees are already at work in several cities.

Many of the problems themselves, as well as the solutions of at least a part of them, are apparent.

For example, with reference to increasing municipal costs, suppose we examine the causes and effects. The elements to be considered are:

1. How much have the expenditures increased?
2. Is the increase out of proportion to the reasonable demands of an increasing population and our accumulating wealth? and
3. Can the taxpayer bear the burden?

According to information gathered by the Finance Department of the Chamber of Commerce of the United States, the annual cost of government, federal, state and local, rose from three billion dollars in 1913 to 12 billion dollars in 1927. It is expected to reach \$13,500,000,000 in 1930. On a



per capita basis, the cost in 1913 was \$30.24 and in 1926 it was \$99.23.

Expenditures for local governments alone totaled more than \$6,250,000,000 in 1927 as compared with less than two billion dollars in 1913. The net bonded indebtedness of local government rose from two billion dollars in 1913 to more than \$10,300,000,000 in 1927. It was then estimated that new bond issues were running at the rate of eight million dollars a year ahead of retirements.

In the 15 years from 1913 to 1927, governmental expenditures increased more than four times while the population increased but 15 per cent. This means a three-fold increase in *per capita* cost. During that period the wealth of the country doubled, meaning a two-fold increase in its tax burden.

During that same period—1913 to 1927—the national income doubled, meaning a two-fold increase in the proportion of taxes devoted to public purposes.

In 1913, taxes were requiring one dollar out of every \$15.50 of the total national income. Now that contribution is one dollar in taxes for every nine dollars of national income. Continuously mounting expenditures of state and local governments cause this increase.

### Higher service costs

THE principal items entering into these increased costs are represented by general government buildings, police and fire departments, sewers and sewerage disposal, highways, charities, school buildings, libraries, parks and playgrounds. The increase in the cost of general government buildings and police and fire departments has been reasonably consistent with the increasing population, but the increase of other costs has far outstripped the increase of population, wealth and income.

The *per capita* debt of cities having a population of 30,000 or more increased from \$73.96 in 1920 to \$183.72 in 1927, or 187.24 per cent. During that period the total gross debt of those municipalities increased 512.91 per cent.

As an example of the rising cost of municipal government, I cite the City of New York. Its comptroller predicts a tax budget for that city for the current year of at least 615 million dollars.

This is 45 million dollars larger than the appropriation for 1930. This is more money than the United States Government spent 25 years ago. The situation in New York is

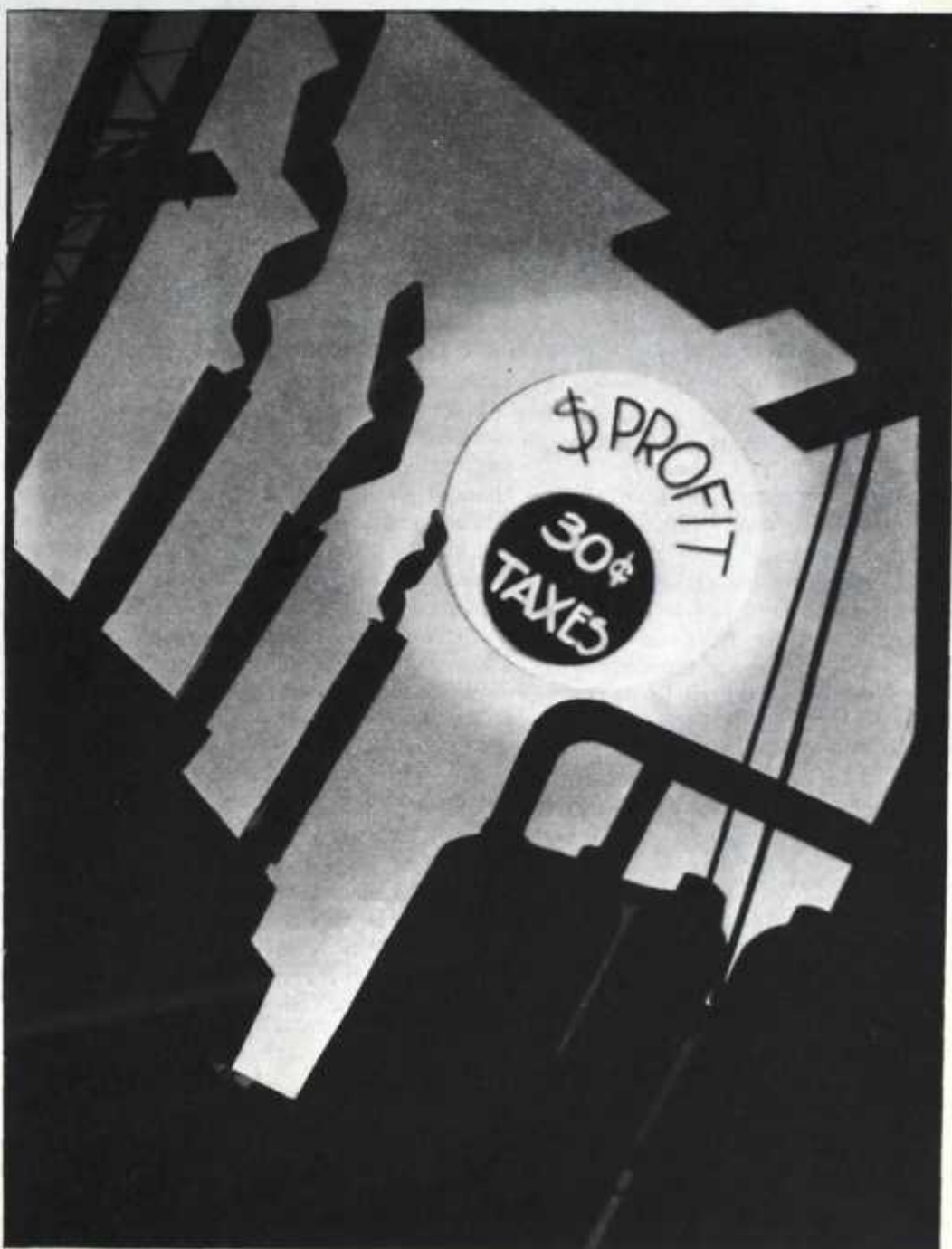
typical of municipalities rather than unique. The continuously increasing population, the rising prices of materials and supplies, the expansion of territory and administrative inefficiency all influence the cost of municipal government but the principal cause is the public's ever-growing demand for more and better roads, more parks and boulevards, better sanitation, better education, more complete and expensive social service, more crime protection and prevention and more of everything that appeals to the vanity and makes for comfort.

### Improvements by taxes or bonds?

THE higher standard of living has influenced public as well as private extravagance.

No municipal government has been, or will be, able to avoid the duties and responsibilities which accompany the constantly developing complexity of society.

The problem is, how can these ever increasing costs be



Few stockholders realize that 30 cents out of every dollar of corporation profits goes to the payment of taxes



paid? Whether municipal developments and improvements are to be paid for from the proceeds of bonds or current taxes is a question peculiar to each situation. Ultimately the major part of all municipal expenditures comes from taxes.

I understand that in Florida more than 200 million dollars of municipal obligations are in default. Taxes upon a vast amount of property in the state have not and probably will not be paid and purchasers at the sales are difficult to find. Although, in Florida, the inflating boom subsequently became a deflating boomerang, this condition may obtain elsewhere.

During the past five years, real estate has been boomed throughout the country. Loans have been placed on inflated valuations and buildings constructed at high costs. Now that depression has come, owners cannot pay the loans or meet the interest. Taxes are delinquent. In Chicago this has meant failure for several real-estate mortgage concerns and ruin for many small investors.

The average business man is so engrossed in his own affairs he does not know that our public expenditures absorb 14 per cent of our national income. If he is a stockholder in a corporation, he probably has not thought that 30 cents out of every dollar of profit goes for taxes.

### Rail taxes here and in Canada

THOUGH he owns railroad stock, he may not know that railroads of the United States pay 6.5 per cent of their gross earnings for taxes, whereas Canadian railroads pay less than two per cent; that for 1926 our railroads paid \$1,591 a mile for taxes while the Canadian roads paid but \$267; that if our railroads had paid the same taxes as the Canadian roads for the period 1923-1927 they could have hauled free all the grain, flour, meat and live stock they moved during that period and would have had left more than 400 million dollars.

How much larger can the tax burden become without confiscation?

Has not the time come when the taxpayer must have more concern about the manner in which his tax contribution is spent?

Have you ever contemplated the stupidity of our people in permitting our municipal machinery to be run by politicians? Yet, most of our citizens are content to leave the conduct of the affairs of our great cities, in many instances, to men who have no fundamental qualifications for the job.

Does any business require of its

executive head a higher order of intelligence, a wider range of experience and a keener sense of responsibility than a great city? How many mayors measure up to the task? How many of them would you select as the president of a private corporation?

### The fruits of incompetency

JUST so long as we are content to have our cities controlled and officered by politicians, even though they be honest, we shall be menaced by all the troubles that inevitably come from the attempts of the incapable to manage any great business.

I have referred to the large number of separate units functioning in Chicago. Within the city are 20 independent governments dealing with parks and recreation. There are two mosquito abatement districts; two operating and six non-operating township organizations; five separate civil service commissions to hire employees working in the city, and nine separate pension boards.

There are few sections in Cook County (which may be regarded as "Greater Chicago") with less than seven independent superimposed tax levies and there are many pieces of property in Chicago on which 14 separate tax levies are made.

There is no attempt to consolidate or coordinate these levies; neither is there cooperation in bond issues or other financial plans. Each government independently calculates its requirements and lets the taxpayer foot the bill. This duplication and complication of governmental facilities places a tremendous burden on the taxpayer. The people of Chicago are awakening to the necessity of consolidating the city's many municipalities.

### Cities within a city

CHICAGO is not alone in this affliction. Pittsburgh has 123 and Detroit 145 separate municipal organizations. Several cities have already consolidated their parts.

Obviously an essential of any sound municipal finance is a budget. The preparation of the budget and its adoption are not so difficult as the marshaling of public opinion, which will insist that all necessary expenditures be included in the budget and those which are unnecessary eliminated. Frequently cities fail to consider the relative merits of new enterprises.

It is difficult to impress upon administrative officials the fact that a budget is a contract which must be observed.

Public officials are more often concerned about getting budget increases than in getting budget decreases.

An example of the disregard of budgets or failure to include all items is Chicago's unfunded debt which rose from \$2,262,677.19 in 1915 to \$17,261,993.06 in 1929.

From all this we may conclude that the budget is no stronger than the human element which enters into its preparation and preservation. A budget is useless unless observed by courageous and independent officials supported by an enlightened and interested community.

Legislation recently enacted by the Illinois Legislature provides for more strict observance of budgetary requirements and carries severe penalties for violation of the law.

To work any enduring reforms not only must we select honest and capable officials, but we must give them sympathetic consideration in the discharge of their duties. Politicians must learn that their political prosperity depends on their official conduct.

Is it not our duty as citizens to help shape the policy of administration rather than to wait until the incompetent have outlined the policy and then criticize it?

### Prevention better than cure

TIME given to the administration of public affairs and to the support of officials before a crisis is infinitely more constructive than is "coming to the rescue" or urging prosecution of those guilty of malfeasance. The amount of money stolen by dishonest officials is trifling compared with that wasted by incompetent ones.

Notwithstanding its weaknesses, I believe our form of government is the best yet devised. Since it is a democracy, the people must govern themselves. Citizens express their wishes, if not their judgment, in electing representatives. Inevitably these officials must have some affinity with the political leaders.

We get nowhere by holding aloof from and denouncing our officials or criticizing what they do. If they are incompetent we can turn them out at the next election.

If they are crooked, the law provides a remedy. But, assuming that they are trying to do their duty, I believe citizens can get much better results by cooperation than by opposition.

Frequently the source of the trouble in our municipal government is the

(Continued on page 94)





Pipe lines are already carrying natural gas to many western cities

# A New Rival for the Railroads

By CURTIS HODGES

Of the staff of NATION'S BUSINESS

**P**PIPE-LINE systems, as they are being developed now, constitute something new in the field of transportation—and another and portentous threat against the already hampered railroads.

Such has been the improvement in the manufacture of pipe and methods of joining the sections together in the field that the prophecy that solid freight will be carried underground some day does not seem out of place.

Pouring wheat into pipes at the production centers and kicking it along underground to the eastern seaboard is not altogether an idle dream. Dumping powdered coal in at the mines and piping it to where it is needed is another vision of the future.

But handling grain and coal with such celerity would be scarcely less interesting than what has already come to pass in pipe-line transportation.

Little more than a year ago nobody would have thought that gasoline would go gurgling along for hundreds of miles, with tanks at intervals to supply the hungry automobiles. But at least four separate systems of pipe lines, varying

in length from 300 to 1,200 miles are being planned or constructed for handling gasoline.

A few years ago a natural-gas pipe line 200 miles long was something to shout about. In the Texas Panhandle great gas wells were drilled and then shut in because there was no way to market the product. It was thought that sometime industries might be built up near the gas areas.

But St. Louis, Denver, San Francisco and other large cities west of the

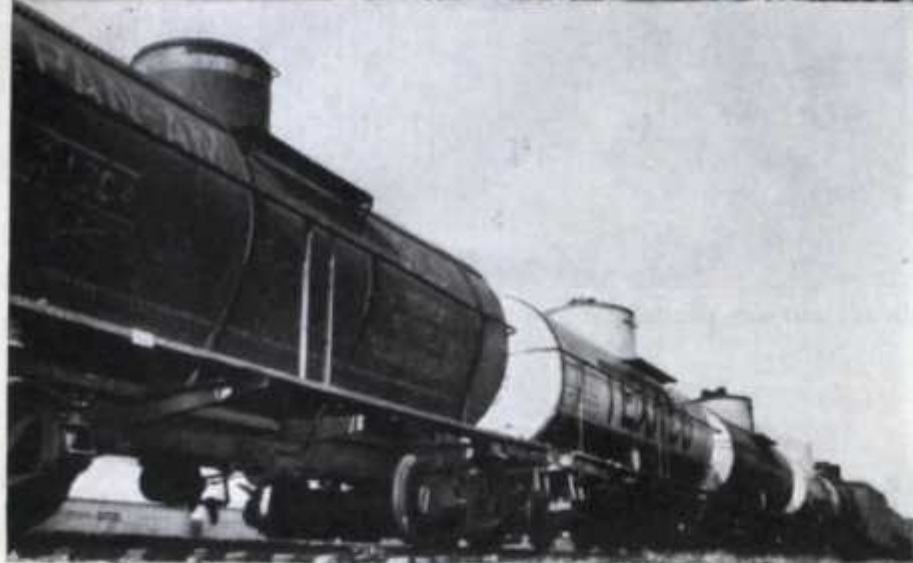


**LAST** month Claude R. Porter, of the Interstate Commerce Commission, mentioned the pipe line in an article discussing new transportation factors. Here is a complete picture of this new medium which, already making itself felt in the shipment of gas and petroleum, may turn to solid freight





Improvements in welding joints have speeded pipe-line building



HORYDCZAK, WASHINGTON

Part of the railroads' 275,000 tank cars face the prospect of a future in which they will have no work to do

Mississippi are now supplied with natural gas by means of pipe lines and there is no reason why eastern cities should not be supplied in the same way. One company already has acquired trunk pipe lines, no longer needed for transporting crude oil, and will use these with necessary additions in getting gas to large cities along the Atlantic coast.

### Investments are large

DEVELOPMENTS such as these are not whims. Pipe lines which have been constructed require investment of hundreds of millions of dollars and they must be kept going a long time if the investment is to be amortized. Engineers have given their word that the natural-gas reserves are sufficient to warrant the

investment. It is not difficult to believe that, before many years, long-distance pipe-line transportation systems for carrying natural gas and gasoline will cover the entire country.

What will this mean to the railroads in the way of lost revenues, especially revenues from coal haulage? Gas takes the place of coal very well. Natural gas has a heat content between 1,000 and 1,100 British Thermal Units, while manufactured gas as a rule has less than 600 B. T. U. But by-product gas also may be used to supplement the natural gas for transmission through pipe lines to eastern cities. In 1929 some 858 billion feet of by-product gas was produced in the United States. With natural-gas consumption trebling since 1921 and with hundreds of millions of

dollars going into pipe lines for its transmission, it would seem that the cities of the United States will be fairly well supplied with fuel.

Even now there are 60,000 miles of natural-gas pipe lines in the United States; nearly two billion dollars is invested in the natural-gas industry and consumers number more than five million.

### 5.8 per cent of revenue

WHAT of the railroads' revenues from gasoline haulage? The income from this source, in spite of the vast short-haul tonnage carried by motor truck, constituted 5.8 per cent of the railroads' total operating revenues in 1929. On the four principal oil-carrying roads, it constituted 21.6 per cent of the total revenue.

One of the serious aspects of the laying of pipes for gasoline, for the railroads, is the fact that, unlike competition arising from the expansion of crude-oil pipe lines, there is little or no compensating revenue.

So rapidly did the petroleum industry grow that the railroads were able to keep some of the business despite the crude-oil lines and they also received a steadily increasing gasoline tonnage. Gasoline production increased 546 per cent between 1917 and 1929 and gasoline tonnage on the railroads grew from 20 million tons in 1917 to 46 million tons



in 1929. An idea of the business that has been lost to the railroads through crude-oil pipe lines, however, may be had when it is known that the operating revenues of those pipe lines amounted during the past year to more than 250 million dollars.

While predictions are notably unsafe, it looks now as if the gasoline business might be going the same way the crude-oil business went, leaving a part at least of the 275,000 railroad tank cars with no work to do.

A crude-oil pipe line from New Jersey to the Ohio-Pennsylvania line is now being refitted to transport gasoline. It is more than 300 miles long. Contracts have been awarded for construction of a gasoline pipe line from Marcus Hook, Pa., to various Pennsylvania and Ohio points. This will be 500 miles long. A new company has been formed to build and operate a gasoline line 1,200 miles

long running from the Southwest to Kansas City, Des Moines and Chicago. Another company has placed orders for 800 miles of pipe, to be laid from Texas to St. Louis.

### Quick deliveries expected

PICTURES have already been drawn of the manner in which the gasoline pipe lines will operate. A gasoline pipe line would be expected to serve a strip of territory 100 miles wide extending from the refinery to the terminal. Gasoline pipe lines along main highways will, of course, have many advantages. Pump stations directly connected with the pipe lines will have a large advertising advantage, or at least that is the prediction. It is expected that tourists will want to buy gasoline that is being transported directly from the refinery. Under present methods of transporta-

tion, retailers must often build large storage tanks. With a gasoline bulk station in his neighborhood and gasoline available in an hour or two by tank truck, the dealer will need only the underground tank supplying his pumps. The only rates published thus far for the movement of gasoline by pipe line are from one-quarter to one-half the railroad rates.

There has been a great deal of speculation as to what effect the pipe-line transportation of gasoline would have on pipe-line transportation of crude-oil. Thus far, one writer says, there is nothing to indicate that crude-oil lines will be displaced. His figures indicate that, as the distances from the oil fields increase, the realization from by-products from crude are sufficient to offset the advantages of the gasoline movement. Such conditions, he believes, would not warrant the junking of existing refineries.

### Heavy crude may be used

BUT many elements can enter into this question. There is, for example, the new hydrogenation process used in refining petroleum. When this process is used successfully to convert oil into gasoline it may be that heavy oils which cannot be transported profitably will be refined near the source of production and the gasoline transported by pipe line.

With the development of gasoline pipe lines has come the new interest in natural-gas pipe lines. Within the last five years, 5,000 miles of such long-distance lines have been constructed and projects are under way or under con-

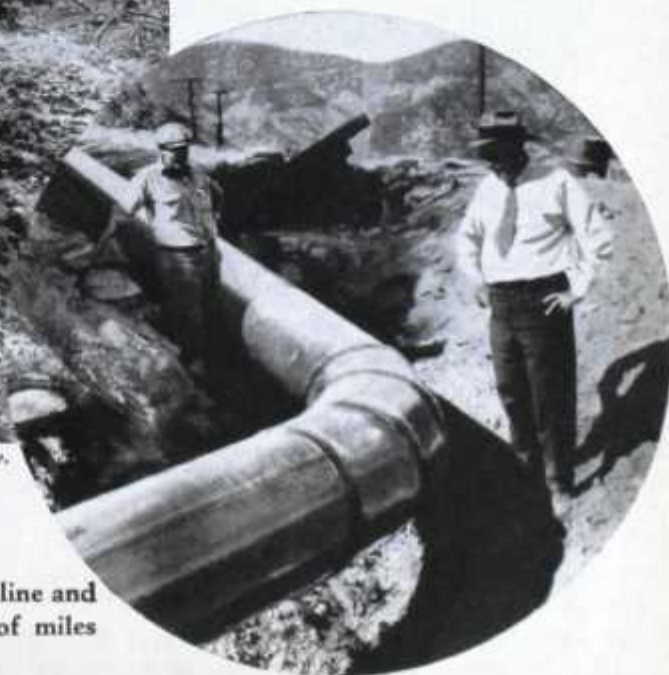
*(Continued on page 122)*



A. O. SMITH CORP.

At least four pipe-line systems varying in length from 300 to 1,200 miles are planned or already under construction

Through 24-inch pipes, gasoline and crude oil travel hundreds of miles





# Teamwork Can Help Farm Credit

By ERIC ENGLUND

Division of Agricultural Finance, U. S. Department of Agriculture

ILLUSTRATIONS BY HANS FOY

**A**LTHOUGH the term, improved farm credit, has been overworked by careless repetition until it has aroused skepticism—especially among farmers who know that more credit by itself is no fairy godmother to them—it persists as the prescription most often given for the ills of farming.

Improvement in banks and other credit agencies, although highly desirable, is not likely to go very far toward mending the weakest link in farm finance, production credit, unless accompanied by better credit management and improved credit standing of the individual borrowers.

The farmer needs production credit because he must spend money to produce and must wait for returns. The merchant and the manufacturer must also spend and wait for returns, but there are at least four important differences between the credit problems of the farmer and those of the merchant and manufacturer.

First, the farmer's turnover is slow, for he must wait for crops and live stock to mature before marketing them. The manufacturer and the merchant's turnover usually depends on the speed of machine production and the rapidity with which goods move through the channels of trade.

Second, the ratio of fixed to operating capital in farming is generally higher than in other lines, because a compara-



**The farmer's turnover is slower than the merchant's, for his products must mature**

tively large investment in land, buildings and other permanent improvements is necessary.

## Loans are on small scale

THIRD, it is impossible, as a rule, for the individual farmer to take advantage of low rates and other terms granted to big borrowers in industry and commerce, because his borrowings for operat-

★  
VARIOUS steps have been taken to aid the farmer in one of his hardest and most pressing problems—that of credit. His situation from a credit standpoint, however, is still an unenviable one. The secret of improving that situation is held by the farmer himself and his local banker

ing capital are small.

Fourth, farming is peculiarly subject to drouth, flood, hail, storm, diseases and other hazards. These frequently bankrupt individual farmers and rural merchants and contribute to bank failures. In addition, a possible decline in prices during the long turnover may destroy the whole margin of safety for a production loan and make repayment impossible from the year's returns.

The farmer must face these natural and economic difficulties as must

his creditor. The Government has taken several steps to help in the solution of the problem. In addition to emergency laws, four pieces of permanent federal legislation, wholly or in part devoted to agricultural credit, have been enacted in the past 16 years—the Federal Reserve Act of 1913 with amendments to make it helpful to agriculture, the Farm Loan Act of 1916, the Intermediate Credits Act of 1923, and the Agricul-



tural Marketing Act of 1929. A number of states also has passed farm credit laws.

### Farmers can help themselves

FARM mortgage credit through the land banks, insurance companies and other agencies is reasonably satisfactory. In providing commodity loans to cooperative marketing associations, the intermediate credit banks and commercial institutions have been supplemented by the loan features of the recently enacted Agricultural Marketing Act, which also provides loans for plant and equipment and for sundry other purposes.

Production credit is advanced by the intermediate credit system through credit corporations, live-stock loan associations and commercial banks.

But farm credit problems must be solved not only by improving the credit system but also by efforts of individual farmers to improve their credit management and business set-up in order to take better advantage of existing or of improved credit machinery.

Production loans for fruits and vegetables, when advanced on a speculative basis, are an example of faulty credit. Dealers, in their competition for business, make advances to growers who, in turn, agree to deliver their crops to them. Compared with banking standards, the conditions of these advances are liberal. Losses to a group of eastern dealers over a period of years amounted to about ten per cent of a total advance of several million dollars.

Here, as elsewhere, easy credit stimulated speculative expansion and oversupply, resulting in periodic demoralization of the industry, especially where the distributors have a limited market outlet. The irresponsible grower—the "in-and-out" in the business—gets his maximum chance under easy credit, to the detriment of the responsible producer.

Those who are financially tied to the dealer can not market through cooperative associations, even when convinced of the desirability of doing so, until they can obtain loans from other sources.

Buying on time at local stores, especially in the South, is a costly form of credit and a further indication that all is not well with farm finance.

Of nearly 1,200 farm owners and

tenants interviewed in 1926 and 1927 in five southern states, about one-half used merchant credit in one form or another, with an average cost on a *per annum* basis of 25 to 30 per cent. Buying on time cost an average of 35 per cent for fertilizer, the most important single purchase of most growers of cotton, tobacco and potatoes in the South Atlantic states. Such a credit charge would ruin almost any business.

In 1926, some 110 North Carolina farmers used a total short-term credit of \$71,687 from all sources, at an average annual cost of 15.5 per cent. Of this, \$30,237 was merchant credit costing 25.6 per cent and \$41,450 was cash credit costing only 7.7 per cent.

Despite this difference in cost, more than one-half of these farmers used both forms of credit. Costs to individuals varied from six to 60 per cent.

### Losses are high

BUT what of the merchant?

"He must be getting rich by gouging the farmer," someone will reply.

Not so with rural merchants in general. From 1923 to 1926 the average losses of 82 representative merchants

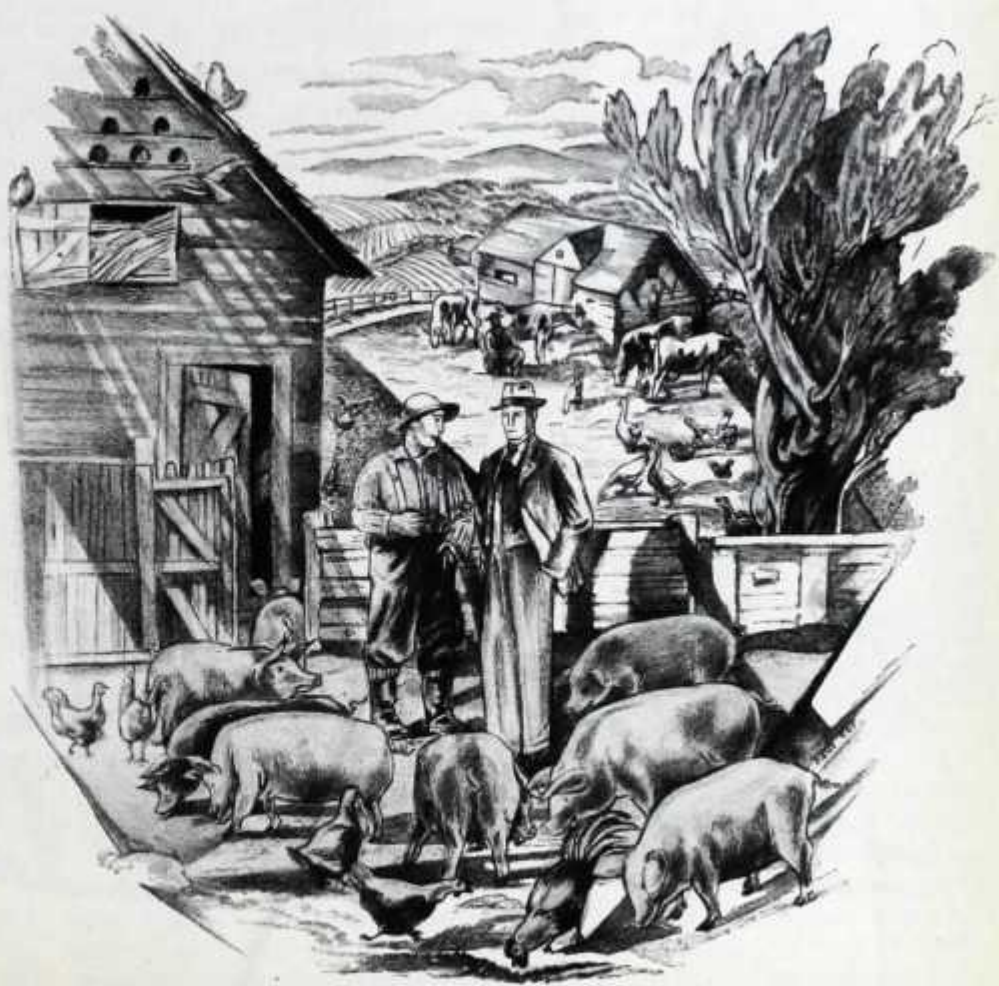
were 15 per cent and their average time-price charges 27 per cent, leaving a difference of 12 per cent. In three farm communities in North Carolina in 1926 some 14 merchants, whose time charges on sales to farmers amounted to 23.3 per cent, lost 13.9 per cent, leaving 9.4 per cent to cover interest on outstanding accounts and extra cost of doing business on credit.

While some merchants who are especially good credit managers profit by their time-price business, others break even or lose, and still others are forced into bankruptcy.

The high cost of store credit is largely due to the fact that many time-buyers fail to pay their store bills. Those who pay subsidize those who do not—a serious waste to the conscientious and successful producer.

The average tenant, in a study of typical areas in five states, would have doubled his net worth in the years he farmed had he been able to save the difference between the costs of merchant and of cash credit on the amount he borrowed, assuming that he paid his store bills.

The farmer's first step toward better credit management is to change from



Mutual understanding helps both borrower and lender. The banker can cultivate it by sympathetic interest in the farmer's problems



merchant credit to cash credit. However, this is more easily said than done. Many of the credit-store customers who regularly pay their bills are able to borrow cash but fail to do so. Fortunately, there is evidence of a gradual decline in merchant credit, partly because of the spread of chain stores operating on a strictly cash basis. This decline could be hastened by vigorous education in credit management.

### Borrowing may be reduced

REDUCTION of the amount of credit needed to run a farm offers another possible relief from credit troubles. Two farmers are living side by side. One produces practically nothing except one cash crop. He buys feed for his stock and most of the food for his family. If the crop brings fair returns, he pays his store bill and soon begins to accumulate another on a time-price basis. If the crop and the price don't turn out well, his bills will carry over until next year. In proportion to his business he must have more credit than is really necessary.

His neighbor, on the other hand, has a few side lines supplementing his main cash crop. He produces feed for his stock, and his grocery bill is small because he has vegetables, fruit, dairy

products, poultry and a hog to butcher occasionally. He also sells some of these things to get sugar, coffee, gasoline, and a little pocket money.

His credit needs are reduced to a few major production costs. He needs less credit than his neighbor and he has better opportunities to reduce the cost of credit by borrowing cash.

Diversifying investments, when he has something to invest, is still another chance for the farmer to improve his credit management and credit standing. Any practical means of increasing his net income will also strengthen his credit. Mortgage indebtedness is not a yawning chasm on every farm to swallow every dollar of surplus earnings.

According to the 1925 census of agriculture, 63.9 per cent of all farms operated by owners in the United States reported no mortgage debt. Safe investments outside the farm are by no means impossible. In better years, there is a chance to lay something aside. Even a small sum, safely invested in something that can be turned in for cash if necessary or used as collateral for loans, would help a farmer's credit standing.

Eventually it may be possible to devise a plan that will not only meet the difficult problem of handling outside investments in small amounts but also

enlist the cooperation of honest financial interests and command the confidence of the farmer.

### Cash supply fluctuates

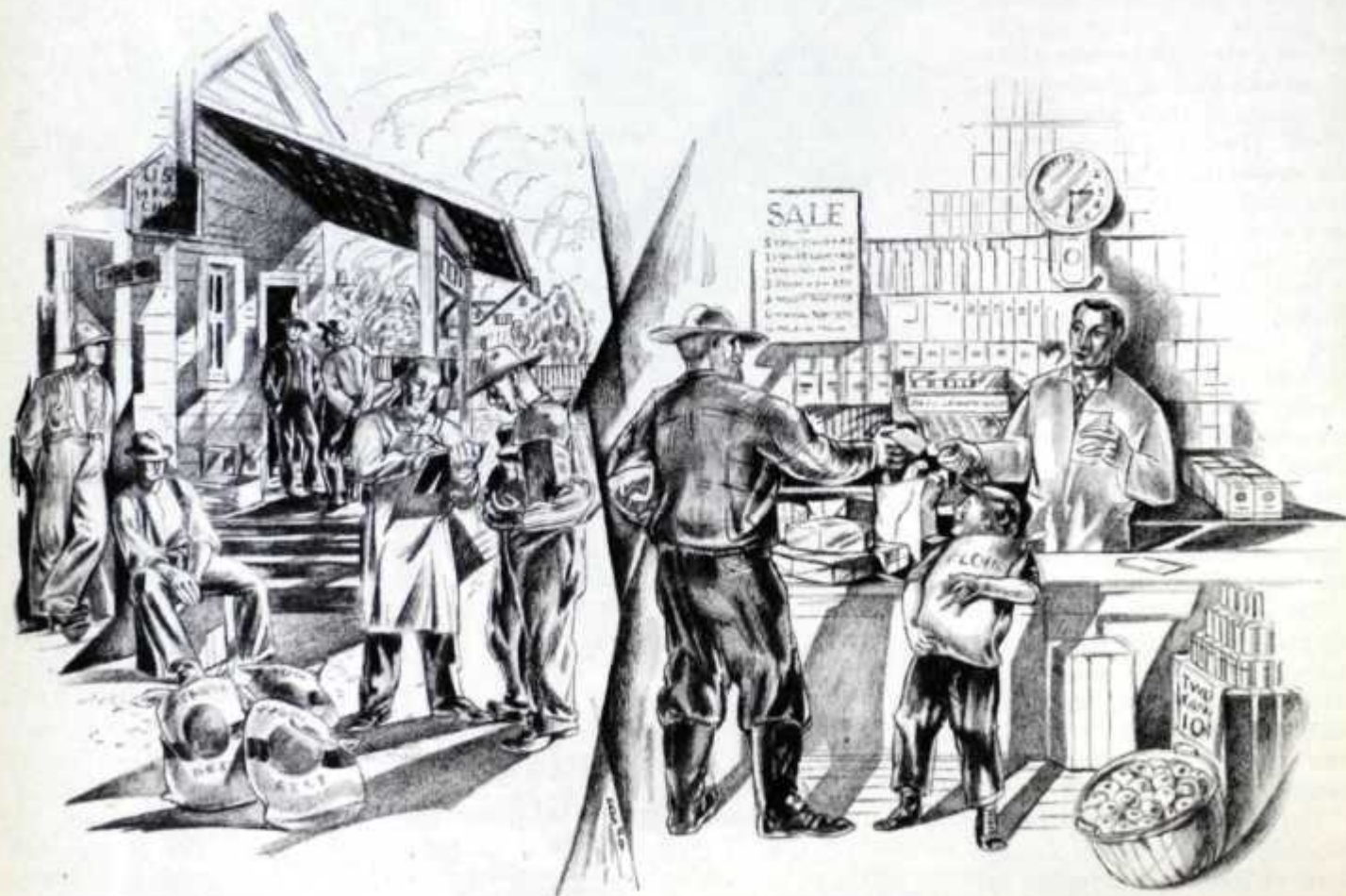
IN farming, as in every other business, funds are attracted to the borrower with high credit standing and good management. But these business virtues do not in themselves guarantee an adequate supply of loanable funds in the community.

Agricultural regions, especially those depending mainly on one crop and having no industrial developments, are subject to serious fluctuations in the local supply of cash. When the year's returns are low, a larger part of the indebtedness is carried over and local bank deposits are meager.

Good credit management requires that the individual farmer's credit plans should extend over more than one year to carry him through the inevitable ups and downs in his business.

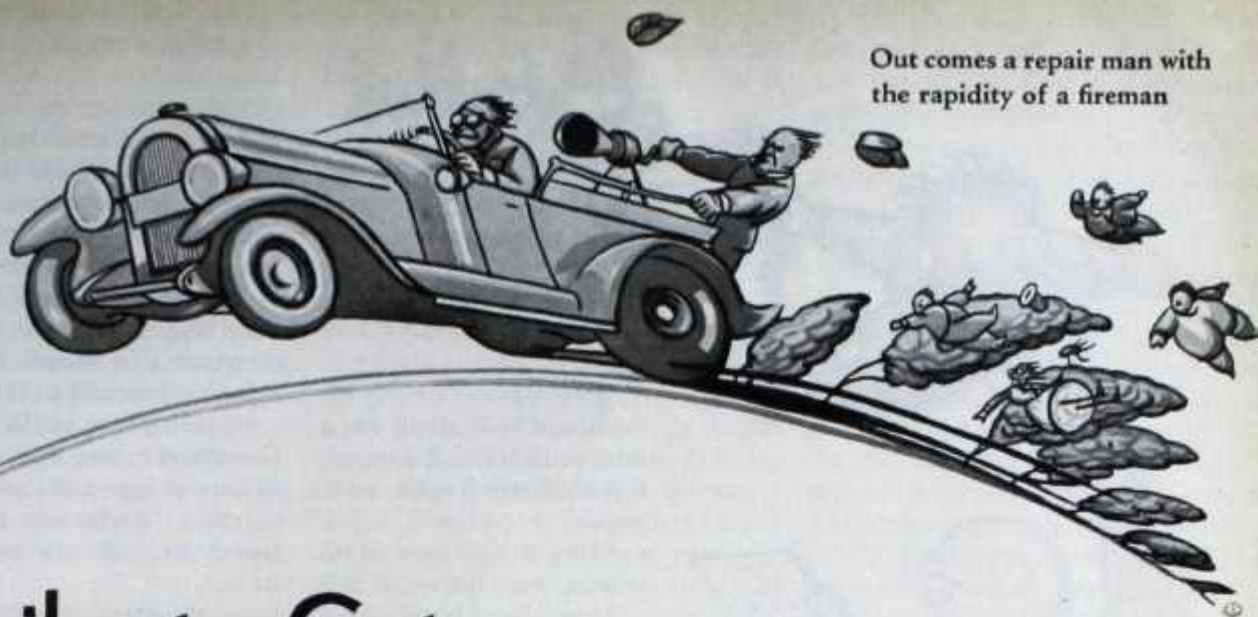
The possibility of local shortage of production credit in any year is a strong argument for the development of credit institutions capable of connecting even the more isolated farming communities with the larger sources of funds, thus

(Continued on page 96)



Buying on time at local stores is costly and is a further indication that all's not well with farm finance. The practice is declining, partly because of the spread of chain stores





# I'd Like to Get Mad—But I Can't

By an avowed radical

CARTOONS BY LOUIS FANCHER

**WHEN** a radical admits that he is unable to run a temperature over the iniquities of the "power trust," that's news comparable to the story of the man who bit the dog. Here is a man in that unhappy state and he doesn't know what to do about it. Every time he begins to work up a temper—he gets his light bill and finds his anger leaving him

**I** OUGHT to get sore at the "power trust" but I can't. I am a radical—I admit it—and as such, of course, I feel that I ought to get fighting mad at the mere mention of the trust. I should be enlisted in the great crusade against it. Many of my friends are. They write denunciatory articles about it. They "expose" it at every opportunity. They call upon the people to rise and smite the octopus whose tentacles reach out into every corner of the land.

I react readily to nearly everything else calculated to stir up a radical. I am always "ag'in the interests." I get indignant over all sorts of grievances of the people against their oppressors. In 1912, I subscribed wholeheartedly to the Progressive doctrines and "fit and bled" with the Bull Moose.

More recently I threw my hat into the air and cheered the La Follette cause. But I just don't seem able to get up any

steam for fighting the "power trust."

I read speeches by eminent, progressive statesmen and savants, whom I admire, proclaiming the power trust to be the paramount issue of present-day politics. I read tracts written by government ownership advocates telling in enthusiastic language how much better off we would be if the Government owned and operated our public utilities. But somehow they leave me cold.

## A bill makes a friend

**I** HAVE been a bit puzzled about my apathy and have undertaken to diagnose my case. I have done so without the assistance of specialists from either the "power trust" or the public ownership junta. I have endeavored to ascertain honestly and without bias just what causes my strange indifference to the "power trust" question. After considerable study, I have reached a conclusion

and am now ready to give my answer. It's remarkably simple:

It's all due to my household electricity bill.

How can you get aroused about the "power trust" and maintain a good healthy hate against it when you go over your monthly budget and find that electricity is just about the cheapest thing that comes into your home?

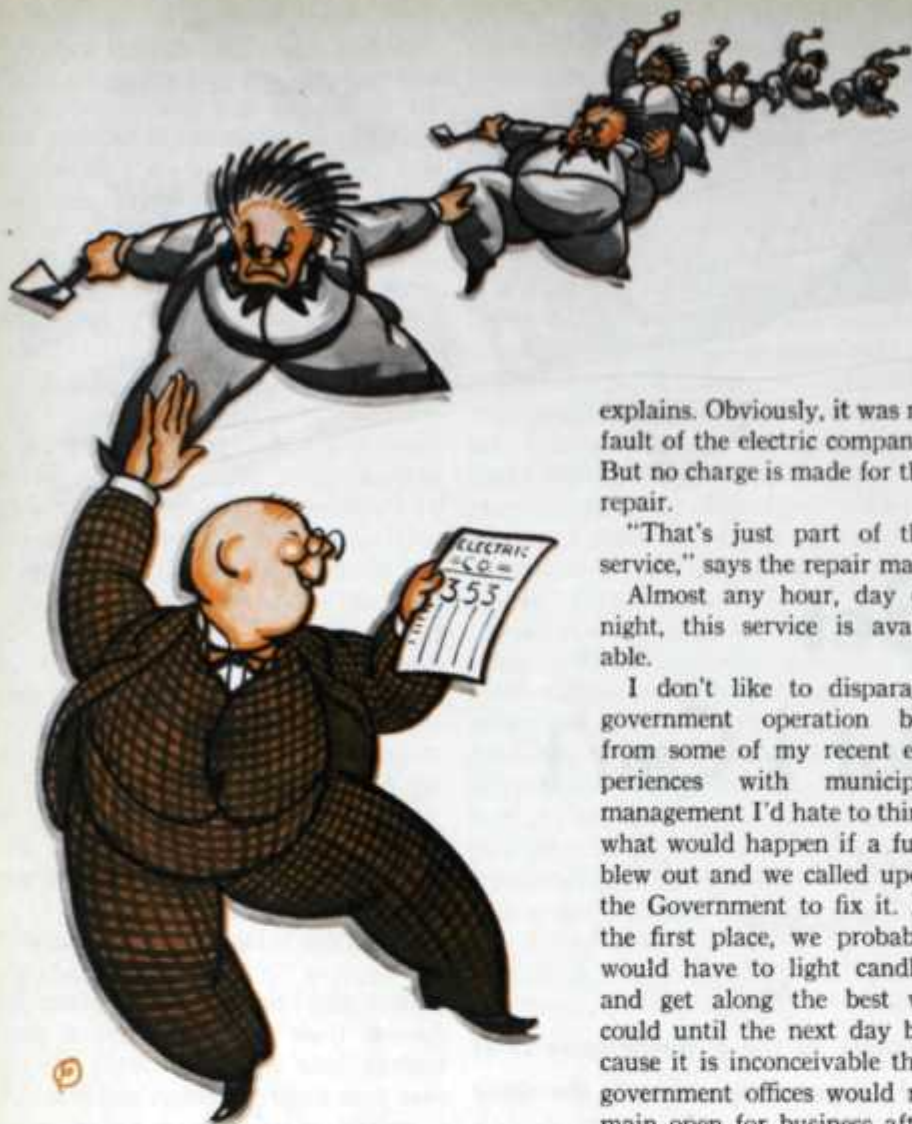
Here is what I am up against in trying to work myself into a rage—and keep it—against the "power trust."

In my modest abode, there are approximately 40 incandescent lights of varying watts. After the manner of nearly all residences in this locality, the house is pretty thoroughly electrified. We use electricity to operate our radio, a smoothing iron, a percolator, a vacuum sweeper and a fan. I am almost afraid to enumerate them all for fear the power company will send an inspector to look at my meter and find that it is "slow."

We make no attempt to economize on electricity. On the contrary we waste a lot of it. Every night two or three lights burn until past dawn, simply because we forget to turn them out. The radio is turned on for hours at a time—sometimes much longer than I care to listen to it. During the warm months, especially during this past stifling summer, the electric fan ran 24 hours at a stretch.

The end of the month arrives and I receive my bill. Under the head of residence lighting, I find, "Kilowatt hours at 4.7 cents—75—Total, \$3.53." I think back over the month, of all the con-





My radical friends can yell "traitor" but  
I just can't get sore at the power trust

venience, comfort and pleasure we have had from the use of electricity. It probably would cost us more than \$3.53 to operate as many coal oil lamps.

So there is the secret. I simply can't become enraged over the "power trust" when I get all the electricity I can use for \$3.53.

### Service is good

BUT that isn't all. Occasionally some of the lights go out. Immediately I call the electric company and complain.

"Some of our lights have gone out," I say over the telephone.

"Perhaps a fuse has burned out," says a voice. "We'll send a man out at once to see about it."

Out comes a repair man almost with the rapidity of a fireman answering an alarm. His experienced eye tells him at once what is wrong. In a moment he has it fixed and the lights are shining again. A worn out connection had caused a short circuit and burned out a fuse, he

explains. Obviously, it was no fault of the electric company. But no charge is made for the repair.

"That's just part of the service," says the repair man.

Almost any hour, day or night, this service is available.

I don't like to disparage government operation but from some of my recent experiences with municipal management I'd hate to think what would happen if a fuse blew out and we called upon the Government to fix it. In the first place, we probably would have to light candles and get along the best we could until the next day because it is inconceivable that government offices would remain open for business after 4:30 o'clock in the afternoon. The next morning after nine o'clock we would try to call the office of the government-

operated power plant on the telephone. Probably we wouldn't get them promptly because all the other consumers whose fuses had blown out the previous night would also be clamoring for service. When we did get the service division the conversation would run something like this:

"Yes, this is the service division."

"Our lights went off last night."

"What is your address?"

"3206 X Street."

"You are in Zone Z; you'll have to call the official in charge of Zone Z."

After some more telephone dealing, we would get the generalissimo in command of Zone Z and, again state the trouble. We would give him our name, address, pedigree, political, social, and religious affiliations, assure him that we had paid our taxes and our light bill for the last month, that no padlock proceedings were pending against us, and that we had not been arrested for tampering with our meter for the last ten years. Then he would probably say:

"All right, we'll investigate your case to confirm what you say. Call up again tomorrow."

The next day we would call again and learn that several capable investigators had searched our record and found no black marks against us.

"We'll send a man out to put in a new fuse just as soon as we can," the chief of Zone Z would say. "All our men are busy now and we have a large number of repair jobs ahead. Maybe we'll be able to get around to it tomorrow."

Or perhaps we would be told that the Government was not responsible for blown-out fuses and that we would have to get a "government-approved" electrician to make the necessary repair. In that case, the charge probably would range anywhere from \$2 to \$5, depending upon the charging capacity of the electrician.

### A permit to turn bricks?

IF I let my imagination exercise itself a bit as I think about what might happen if my fuses were under the jurisdiction of the Government, it is—as I have already said—because I have seen the operation of municipal management. On a Monday morning recently, I met a friend who wore a harassed and nervous look.

"What's the trouble?" I asked him.

"I'm in trouble with the Law," he said. "I live in a quiet street, as you know, in a house which was built in Colonial days. In those days, the houses—or, at least, the ones in the block where I live—were built close to the front building line. There is no front yard. All the yard is back of the house, is enclosed by a brick wall and is called a garden."

"The front sidewalk in our street is of brick and is about twice as wide as the usual city sidewalk. Most of my neighbors have taken up a strip of brick about two and a half feet wide immediately in front of their houses and have put in shrubbery."

"We have had a spot of green of this sort in front of our house for several years or more. It was rimmed with brick resting on edge projecting up about half their width, the other half being sunk down in the ground."

"Last Saturday afternoon I got ambitious. I took out the brick, put them up on end and mortared them in place. The operation made the border of the shrubbery garden slightly higher than it had been, and in my mind, made a much neater looking job."

"Our house, incidentally, is on a corner and is within a half block of a



precinct police station. While I was working several policemen passed. They swung their clubs and nodded, but said nothing to indicate to me that I was breaking the law.

"Sunday morning before anyone at our house was awake there was an authoritative knock at the front door. We have a doorbell but the person who knocked spurned it.

"I answered the door as quickly as I could. There stood the precinct captain himself in all his braid and stripes.

"Is this new?" he asked, pointing to my handiwork with a stern gesture.

"I put those brick up on end like that yesterday afternoon," I told him. "They've been there for some time—only down on their side."

"Did you have a permit?" he asked.

"I didn't know you had to have a permit for work of that sort," I told him. "What kind of permit?"

"A building permit—a repair work permit," he said. "You get it at the municipal building. I'll give you forty-eight hours to get it."

"With that he went away.

"This morning there was another loud knock at the door, this time with a night stick.

"You'll have to get those bricks out of there right away!" a policeman told my wife.

"My husband's at the office," she informed him. "He's going to get a permit today."

"Those bricks will have to come out now," the policeman insisted. "The captain told me to tell you. They were put in there without a permit. Get some one to knock them out with an ax."

"My wife was much concerned. She called me on the phone. I dropped everything I was doing and now I'm on my way to the municipal building."

### Can't find the law

A DAY or so later I met him again.

"How did you make out about those bricks?" I asked him.

"I don't know," he said.

"Didn't you go to the municipal building?"

"Yes I did," he said. "I went there and after being directed from one department to another and telling my story four or five times, I finally found the man who had charge of building permits for the section of the city where I live.

"I explained what I had come to see him about. I drew him a picture of it.

"You can't get a permit for that," he said. "I know all about it. The desk sergeant of the seventeenth precinct told me all about it over the phone a few

minutes ago. He told me not to issue you a permit, that you are violating the law, putting something up contrary to a city ordinance."

"Just what law am I violating?" I asked him.

"Your precinct knows. That's why they don't want any construction work done that isn't permitted."

"I'd like to know the law myself," I said. "Whatever it is, it seems to be pretty flagrantly violated in our street. Houses for several blocks in each direction have small gardens in front of them similar to ours. I didn't know I was violating the law by fixing the bricks the way I did. I thought the trouble was that I fixed them without getting a permit."

"The permit man fumbled around in his desk and finally got out a book. After some little difficulty he found a passage and began to read. He read a sentence or two and then, turning to a younger man nearby, said. 'Here, you, read this, my glasses aren't strong enough for this.'"

"The younger man had overheard our conversation. He glanced at the book and then said, 'This isn't right. This is about retaining walls. What you want is the ordinance on cowlings.'"

"He found the cowling ordinance and read it in a mumbly voice. Then he snapped the book shut.

"What he read did not seem to me to cover my particular problem.

"You'd hardly call my row of bricks

a cowling,' I began to say to the older man, but he didn't give me a chance to finish. He merely spread his hands apart, and walked away.

"On my way home from work that evening I stopped in at the precinct station and called on the captain.

### Violating two ordinances

"YOU have me worried about this brick business," I said to him. "I went down to the municipal building to get a repair permit, as you suggested, but the man down there told me he couldn't give me a permit. He said that sort of construction violated a city ordinance."

"Well, sir," the captain beamed, "to tell you the truth, you have violated two city ordinances there. In the first place, you have changed the grade of your property. That's strictly against the law—doing it, I mean, without getting a permit. In the second place, there's a question in my mind about just where the building line is on your street."

"With that, he went into his desk and brought out a small book and read with emphasis an ordinance having to do with brick walls, line and picket fences.

"What am I supposed to do now?" I asked him. "You tell me to get a permit. And when I try to get one, the municipal building tells me they cannot issue me a permit."

"I don't make the laws," he an-



I read speeches by eminent statesmen who proclaim that the power trust is the paramount issue of present-day politics



swered. 'My job is to enforce them. But I'll tell you what to do. You go to the city engineer's office. He has the blueprints over there and the plat books. He can tell you in a minute what's what.'

"So now I'm going to the city engineer's office."

When I saw him again, he looked more worried than ever.

"It's still those damn bricks," he said. "That day after I saw you, I went down to the engineer's office."

### Jurisdiction of parks

"WE'VE had cases like that before," they told me. "Your shrubbery is in the parking area along your street. You just get in touch with the superintendent of public parks and have him write a letter to your precinct captain."

"By that time I felt like the new boy on the job who is sent out to get a left-handed screw driver."

"I went back home and tried to forget about the bricks. A few days later another policeman came around. I told him I was working on getting a permit. Later on another policeman came around and told my wife that a warrant had been issued and that they would serve it if I did not produce a permit within 24 hours."

I didn't see him again for several days but when I did he seemed care-free.

"Say," I said, "I supposed you were in jail. Didn't they lock you up about those bricks? Did you bribe somebody?"

At mention of the bricks his cheerfulness vanished.

"I'm still trying to forget about that," he said.

"How did you fix it?"

"Well," he said. "They had me wor-

ried with that warrant thing so, when I went home after I talked to you, I looked up the policeman on the beat, and asked him to go down to the municipal building with me. He said he would. He said he knew just whom to see down there. We wasted an entire morning, and finally landed up in the office of the man whose glasses had not been strong enough to read the fine print.

"We talked to the younger man in the office."

"Don't tell that old guy you've already got your wall built," the young man warned us. "If he finds you've already got it built, he never will give you a permit. He's just that way."

"We waited for the older man. The policeman was the spokesman."

"I'm attached to the seventeenth precinct," he said. "This party here wants to put a row of bricks around his garden."

"You don't need a permit for that! You don't need a permit for anything like that!" The permit man almost roared.

"All right, all right," the policeman answered. We walked away.

"Now, what do we do?" I asked.

"Nothing," said the policeman. "We're all through. I'll just tell the captain that no permit is needed."

Do you wonder why I begin to wonder when I imagine what might happen if the Government should take over our utilities?

I can hear some of my radical friends

shrieking "traitor" and "sold out to the power trust." I don't want to betray any confidences but I happen to know that some of them privately are a bit disturbed by the smallness of their electricity bills. They don't like to admit it but they appear to be suffering from an ailment similar to my own.

If the cost of their electricity would run up in proportion to the rest of their household expenses they wouldn't be annoyed. They could pay it and then sit down to their typewriters and "pan" the power trust with renewed fervor. But it's not easy to work up an intense rage and feel yourself when you pay an electricity bill which hardly equals the cost of your cigarettes.

I don't know anything about the profits of the power trust. I suppose they are fairly adequate or investors wouldn't care to put their money in public utilities stock. Here again my radical instincts appear to go hopelessly dormant. I don't seem able to get myself deeply interested in the profits of the "power trust" as long as it gives me electricity and service at a price which I cannot help regarding as remarkably low in relation to the other things I have to buy.

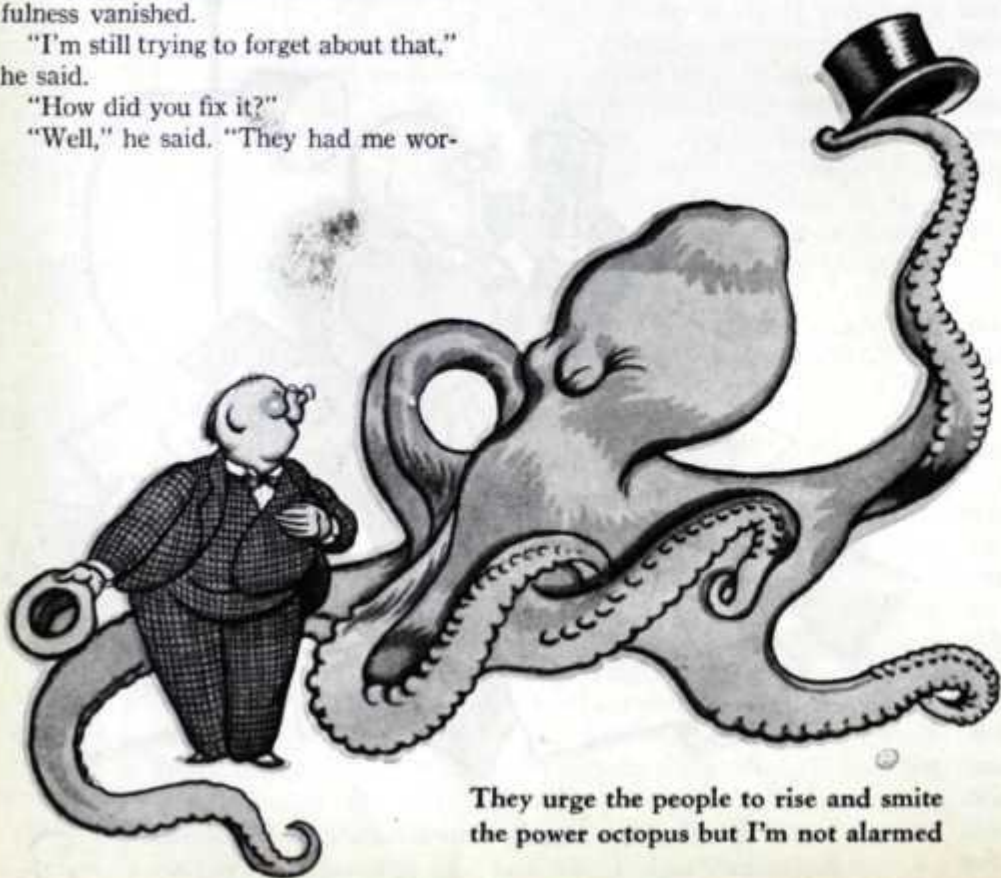
I read voluminous accounts of the proceedings before the Federal Trade Commission concerning "power trust" propaganda.

Some of the practices of the utilities interests in their "educational" campaign designed to counteract the trend toward public ownership struck me as downright stupid. The purchase of newspapers, the alleged doctoring of school text books, the "subsidizing" of teachers, as described in the reports of the Federal Trade Commission inquiry, undoubtedly reacted badly on the utilities companies.

### Propaganda of price

THE best possible propaganda they can conduct, if I may be pardoned for giving them my radical advice, is to continue providing service at present, or lower costs, to "reds" like myself.

If they do that the pressure for government ownership will dwindle and the "power trust" will never become a major national political issue because the average citizen, like my own radical self, simply can't get sore over the present cost of his household electricity.



They urge the people to rise and smite the power octopus but I'm not alarmed





#### CHANGES

He leaves the presidency of one of the largest banks west of the Hudson River to become head of the Chicago Federal Reserve. He's Eugene Stevens, formerly of Continental Illinois Bank and Trust

## THEIR NAMES MADE NEWS



Here are their faces



#### MASTER BUILDER

Cass Gilbert, whose architectural creations adorn many cities, is given the gold medal of the New York Society of Arts and Sciences. He designed the U. S. Chamber, Woolworth, and many other buildings



#### BUSINESS

No tea shoppe or booke nooke for this socialite. Miss Natalie Hays Hammond, gifted daughter of Engineer John Hays Hammond, goes into trade, opening metallurgical processing plant, to metallize fabrics



#### CHAMPION

If he had a title, it would be World's Champion Wheat Grower. Herman Trelle, of Wembley, Alberta, won that honor at Chicago's Livestock Show, for the second time. He showed hard red spring



#### HE SCRAMBLES

In trans-Atlantic telephoning, your speech is now "scrambled" mechanically, then unscrambled at the other end. Thus radio listeners cannot understand. S. P. Grace, of Bell Laboratories, is the inventor



#### EXPANDS

Long an experienced steel man and banker, C. R. Messinger of Milwaukee is named head of Oliver Farm Equipment Company, Chicago. He also becomes Chairman of the Board of Chain Belt Company



#### RAISES WAGES

Few firms make the news for raising wages but the Kellogg Company, of Battle Creek, Michigan, did. Lewis J. Brown, president, announces a six-hour day and a pay increase to help purchasing power

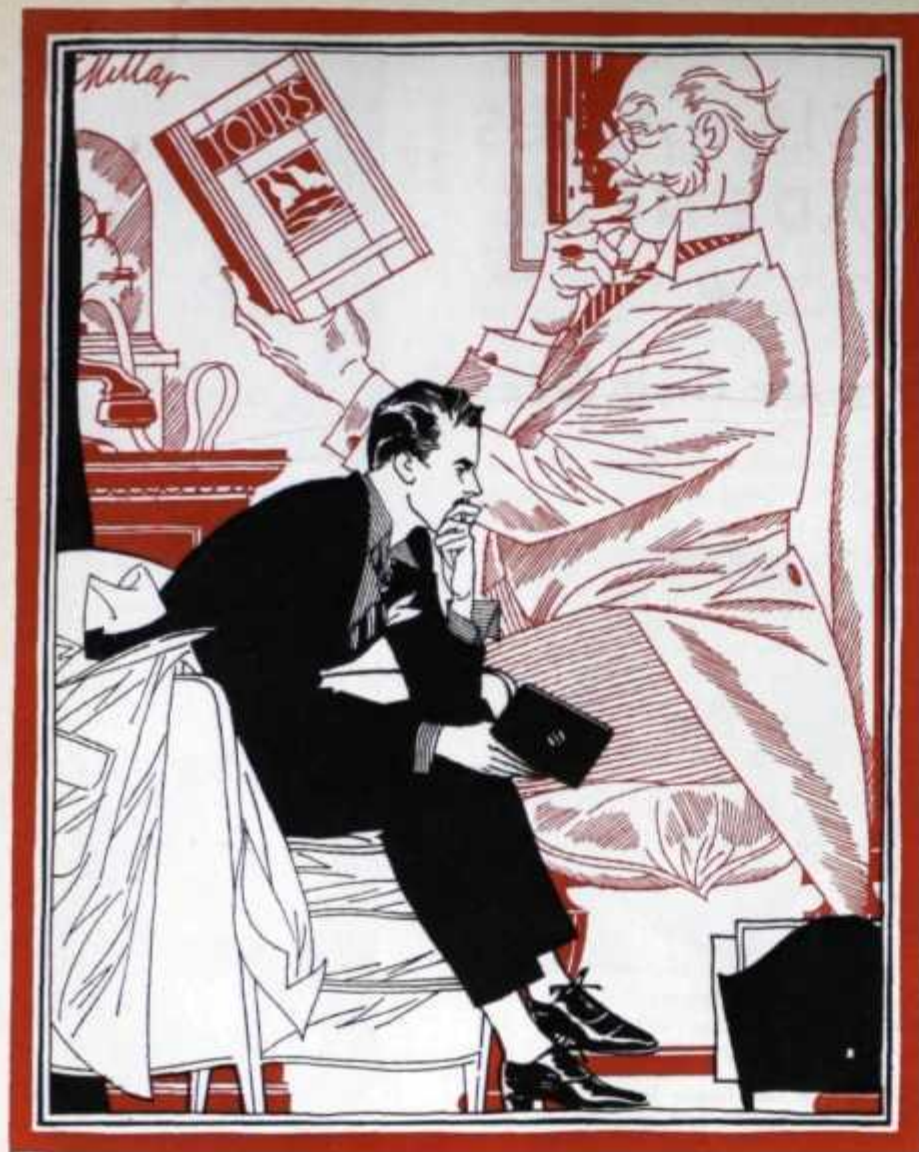


#### TALLEST

The home of Sir John Aird's Canadian Bank of Commerce, Toronto, is the tallest building in the British Empire, 34 stories high. There are 800 branches in Canada, Newfoundland, and South America



# Sales Tax



The sales tax will be felt by small incomes but not by large ones

**A** SALES TAX, broadly, is a tax collected from retailers and wholesalers and sometimes manufacturers—based upon a percentage of the total value of all goods and services sold; essentially a consumption tax. It is a curious coincidence that the keen interest in the sales tax as a possible instrument of decreasing property taxes has evolved side by side with antichain store agitation.

Kentucky recently enacted a sales tax that, in its original form, frankly was intended to discriminate against chain stores. Proponents of the law hoped that these businesses would pack up and leave behind forever the fields of bluegrass.

Similarly, Mississippi and Georgia in 1929 enacted sales tax laws that rapped smartly at the chains. Indiana, North and South Carolina, Missouri, Maryland and other states in the last two

years have attempted various forms of sales tax which, in final analysis, resolve themselves into antichain gestures. Some of these attempts may succeed. Most of them have gone promptly to the courts for interpretation and many have come out labeled unconstitutional.

Taxation is a subject few understand. It is, however, almost unbelievable that the citizens of commonwealths considering the sales tax know so little about retailing. For example, could the legislators of two states enacting sales tax laws in 1929 have known that their locally owned department stores and other retail establishments doing a large annual business would pay as severely as the chains when the law was so enthusiastically put on the books?

## Kentucky taxes all merchants

THE Kentucky law "imposes an excise or license tax on retail merchants" which

candidly was intended to affect chain stores only. As the Kentucky bill was being considered the Federal court in Indianapolis ruled in the case of Indiana's law that chains could not be discriminated against; and the Kentucky bill was changed to avert the fate of the Indiana legislative proposal.

The Indiana decision is now pending on the docket of the United States Supreme Court. The Kentucky law as passed taxes each company in proportion to the amount of annual sales volume, the scale advancing from one-twentieth of one per cent on gross sales of \$400,000 or less, to one per cent when sales are one million dollars or more.

Kentucky's new law, instead of penalizing only the large chain companies as was originally intended, now, because of the change in language, arbitrarily includes any "person, firm, association, co-partnership or corporation opening, establishing, operating or maintaining any store for the purpose of selling goods, wares or merchandise at retail in the state. . . ."

Kentucky's largest and most efficiently operated stores thus are taxed one per cent on a million dollar volume along with the chain company operating a number of small stores. If the law is held to be constitutional it fixes sales taxing as a revenue producing measure in Kentucky and eventually all stores—small and large—will be affected.

As a matter of avoidance, the chain company might escape the maximum charge by incorporating each unit and paying one-twentieth of one per cent on each. The large, locally owned store, being one unit, cannot escape the highest rate.

Georgia's law carries with it an exemption of \$30,000 per store. Stores doing a larger business are required to pay annually a tax equivalent to two-tenths of one per cent on the dollar of the gross receipts of the business; with whole-



# —the Case Against It

By Channing E. Sweitzer

Managing Director, National Retail Dry Goods Association

ILLUSTRATIONS BY DON MILLAR



**MANY** states are turning to the sales tax as a means of raising revenue, or fighting chain stores or for other purposes. Some laws have already been passed and, quite generally, surprised legislatures have found that they did not do what they were intended to do. Mr. Sweitzer, after studying the problem, presents here the case for those who oppose this form of taxation

salers, jobbers and brokers paying one-tenth of one per cent. This has been interpreted as favoring the small retailer and penalizing the chains. In this respect the law succeeds. But it also boomerangs because it penalizes the chain company no more severely than any other retail concern which has built up a comparable volume of sales.

## Higher taxes for chains

MISSISSIPPI went more directly to the point with a straight tax rate of one-quarter of one per cent on all goods sold at retail with an additional one-quarter of one per cent on any concern operating five or more stores within the state. An additional tax is placed on all inventories, ranging from \$3 where the value of the stock never exceeds \$300, to \$1,500 where the value of stock sometimes exceeds \$250,000. That is, the more business a retailer does in Mississippi the more he will pay in penalty for his ability to serve the customer to the latter's best advantage.

Do the citizens of these states and other states consider-



Merchants who called down the sales tax to punish chains have been hit by the bolt

ing similar legislation by any chance realize the significance of sales tax laws? Obviously, a sales tax can be paid only by one of two groups—the retailers or the consumers themselves. A retailer's margin of profit is so slender that it is improbable that he can or will absorb the tax himself.

Under the Kentucky law the retail store doing an annual volume of one million dollars will pay one per cent tax. Doubtless the people of that state, and the legislators too, were not informed that, according to recent Harvard University studies, the average net profit of department stores in 1929 in cities of 250,000 to 500,000 population was eight-tenths of one per cent on the gross volume of business, or one-fifth less than the tax itself. Similar profit figures for other retail lines disprove conclusively the popular conception that retailers reap enormous profits.

Obviously the proponents of the sales tax are not concerned with the matter of profit or loss or size of profits of any individual establishment. The store with wide margin of profit and small turnover pays the identical rate as one with a narrow margin of profit and frequent turnover. But since the tax is based on total volume of sales, the frequent-turnover store pays a much larger tax even though the net profit for the year may be no larger.

## Narrow margin, high tax

FOR example, a company operating a single-turnover type with wide margin, selling a million dollars a year will be taxed \$10,000 in Kentucky. Another company, turning its million dollars stock ten times but on a narrow margin, will pay \$100,000. Too, the store valiantly attempting to weather adversities is taxed as much as one which is registering a comfortable margin of profit.

In the same manner, the sales tax



makes no allowance for wide differences in ability to pay, one basic principle of taxation. The consumer in the \$2,000 income bracket actually will pay more sales tax in proportion to his earnings than will a man earning \$20,000 annually. Necessities, such as food and clothing, require a much higher percentage of the small income than of the larger.

In the meantime, what little opportunity the \$2,000 earner had for savings is wiped out and the high-salaried man's vacation, amusements, contributions and investments are inappreciably affected. Aside from the unfairness of this situation, the agencies interested in savings and in encouraging modest investments will suffer as possible savings go into sales taxes.

But, before we can assume that the entire tax is to be passed on to the consumer and the retailer is merely to become a tax collector with the attendant increase in record keeping and cost, several factors must be considered. First, millions of dollars' worth of merchandise is sold through stores that price no article at more than ten or 25 cents. Literally billions of dollars' worth of merchandise is sold in groceries, drug, and similar stores where individual items seldom sell for more than a dollar.

### A burden on the retailer

IT IS practically impossible to collect a fraction of a cent on these items. To add one cent to the cost of a carton of sugar, a cake of soap or a bottle of iodine would be plainly outrageous. Yet the tax must be paid. The burden falls squarely on the retailer.

On more expensive articles the tax can be passed along. Under the Ken-

tucky law a \$200 suite of furniture bought of a store doing a million dollars a year would cost \$202 including the one per cent sales tax. But the same suite bought in a store doing \$400,000 or less would cost \$200.10, as the tax is only one-twentieth of one per cent in this volume bracket. The resulting inequality of sales appeals of these two stores is readily apparent.

For a time the retailer who deals in low-priced articles might absorb the added burden of the sales tax but eventually he will devise some means of ridding himself of it. A variety of methods present themselves; if necessary, retailers could procure smaller-sized packages and articles of lesser quality to match the fractional loss in sales tax.

The cost to the retailer is not measured alone by the absorption of the tax. Additional accounting and record keeping are necessary if he is to present an honest and reliable report. As a matter of fact, Pennsylvania with 30 years experience in collecting even a limited "mercantile license" tax, which provides only a fraction of its state revenue, has been driven to the extremity of jailing some of its retailer-citizens in its efforts to administer its law.

From an administrative point of view a retail sales tax presents a difficult collection and enforcement problem. Simplicity and effective collection are most valuable administrative assets for any tax. No simple and sound plan has yet been devised for collecting a mercantile excise tax.

Several European countries which enacted sales tax laws in the war period and immediately afterward have found that the retailer and wholesaler must be omitted from classifications of tax-

payers either because of the inability to collect an amount substantial enough to compensate for the administrative expense or because exemptions open avenues of evasion which hopelessly complicate the machinery. Canada, Italy, Turkey, Belgium and several other countries have given up the idea of attempting to collect sales taxes from retailers.

### Collection is costly

AUTHORITIES on the sales tax have warned that sales of small dealers must be exempt because of prohibitive expense of collection. Not only is it difficult and expensive to collect from these taxpayers but the administrative book-keeping expense consumes the small checks accompanying the returns. On the other hand, Georgia confesses that its exemption to protect the small retailer has resulted in an astonishingly small tax revenue and the governor has suggested that the state do away with the exemption or reduce it to a very low figure. Thus the system, once fixed, tends to change its color as revenue needs develop.

With a sales tax once on the books nothing in the world can prevent the rate being boosted—a little or a great deal. Some gasoline tax laws that started at one or two cents a gallon have reached five and six—which is 33½ per cent of the gallon price in many states.

Once state officials find the proper speed at which the new revenue machine can be made to grow, the people of that state can expect accelerations.

By far the most comprehensive gross sales tax plan in effect in the United States is that enacted by West Virginia  
(Continued on page 114)



Some gasoline taxes that started at two cents a gallon are now five or six



# The Heritage of the Machine

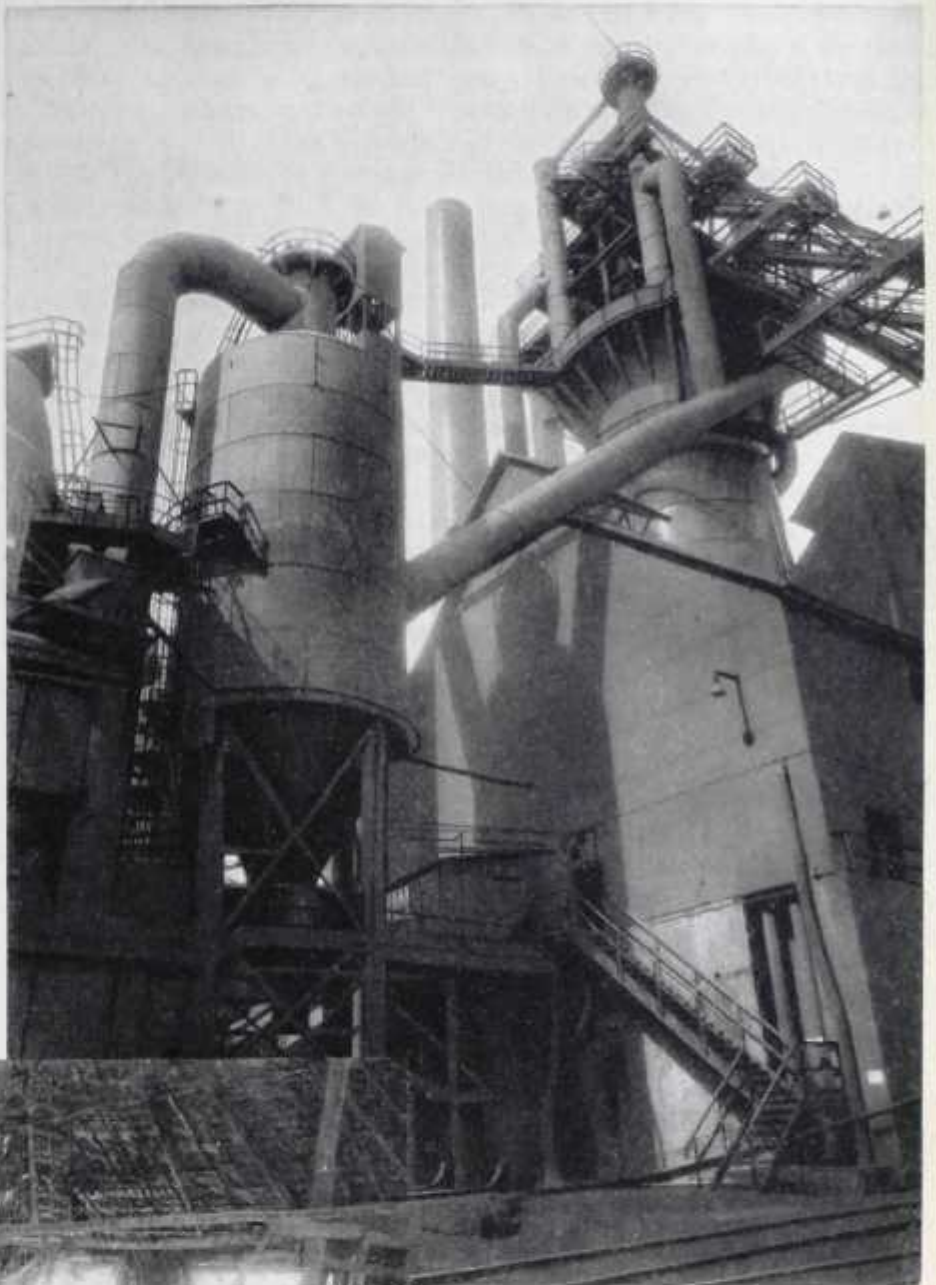
By W. H. RASTALL

Chief, Industrial Machinery Division, Bureau of Foreign and Domestic Commerce

★  
**MANY** serious thinkers have professed to view the present "machine age" with alarm. They point out that machinery is doing something to us. Mr. Rastall also believes that machinery is affecting our lives. But he sees no cause for alarm in the situation

"**L**OVE in the Machine Age" is the title of a new book that at least implies that we are living in a new era, one quite different from all predecessors, and that machinery, in some way not very clearly defined, has probably caused the change. From many pens and many tongues we have had this theme, but all appear to have difficulty in describing just what this Iron Man is doing to us and the social order of 1930. Some contend that we are building a Frankenstein that will some day enslave, if not destroy, us; others appear to feel that we are developing an instrument of extreme beneficence.

The New York City Museum of



HORYDCZAK, WASHINGTON

The modern blast furnace has helped improve living standards



PHILIPPINE BUREAU OF SCIENCE

A primitive blast furnace used by certain Filipinos. The hollow log is a man-power blowing engine

Science and Industry recently had a temporary exhibit, "Men and Machines," designed to cover this same theme, and a most impressive collection of exhibits was presented, although it was all merely a preliminary showing, in no sense pretending to be the permanent museum that will be established later. The exhibits started with Stone Age implements, included medieval tools and



implements, those of the Colonial period, and passed on down to mass production, airplanes, automatic ship steering mechanism, precision measuring equipment, telephone and radio.

### A story of machines

IN the temporary exhibit no place was given to the economic and social aspects of this change but when the display is put in its final form an effort will be made to bring out meanings as well as means. This is well because today one leaves this significant and fascinating exhibit thoroughly impressed that the full story was not told. True, the school boy visitors first met a Colonial spinning wheel, but the machine age counterpart was not shown nor was there anything to describe what this 1930 model has done for civilization; a tremendous story, for, in a modern spinning mill, one girl can produce as much yarn as could be produced by 45,000 Colonial dames. It is this multiplier of 45,000 that makes it unnecessary for our women folk to spin at our firesides. The forces, social, political and economic, that are spun

out by these modern spindles along with the yarn are of the utmost consequence. Not only have our women been emancipated from the toil of endless, tedious hours, but the sterner sex has been influenced as well.

There is no error in this multiplier of 45,000—it is real. It is the basis of an industry involving the investment of hundreds of millions and the employment of tens of thousands. In fact, this multiplier is a miserable understatement of what the application of machinery has wrought in the field of textiles.

As a school boy I was taught that the cause of the Civil War was something connected with slavery or states rights, but our children today are taught that these were the secondary causes. The real cause was the invention of the cotton gin, a little machine weighing less than a ton. Before this machine was developed in 1793, the seeds were pulled from the lint by hand. Today, one man in a modern gin can remove the seeds from as much cotton as could 18,000 slaves operating on the method of 1790. This little machine stimulated the production of the world's greatest fiber.

Wealth poured into the South and a series of national problems developed that kept our Government occupied for five or six decades. This little machine also created a series of social influences that resulted in one of the bitterest wars of history.

But the little cotton gin did far more than that. It built the textile industry of Lancashire with all that has meant to British trade, British finance and British Government policy. This little machine has changed the life of every human being for a century, regardless of race, creed or nationality. It has changed it not merely by giving him more clothing, better clothing, or more comfortable clothing, but it has completely changed his social and political environment.

### Cotton grew and grew

STATISTICALLY, this story may be shown in a table demonstrating the great leap in cotton production which followed invention of the gin:

Year	Production 500 Lb. Bales	Domestic Exports 500 Lb. Bales
1790	3,138	379
1800	73,222	31,822
1810	177,824	124,116
1820	334,728	249,787
1830	732,218	553,960
1840	1,347,640	1,060,408
1850	2,136,083	1,854,474
1860	3,841,416	615,032
1870	4,024,527	2,922,757
1880	6,356,998	4,453,495
1890	8,562,089	5,850,219
1900	10,266,527	6,806,572
1910	11,965,962	8,025,991
1920	13,879,916	6,025,915
1925	17,218,556	8,376,560
1926	17,977,374	11,566,502
1927	13,972,418	8,079,873

And the end is not yet. Today we



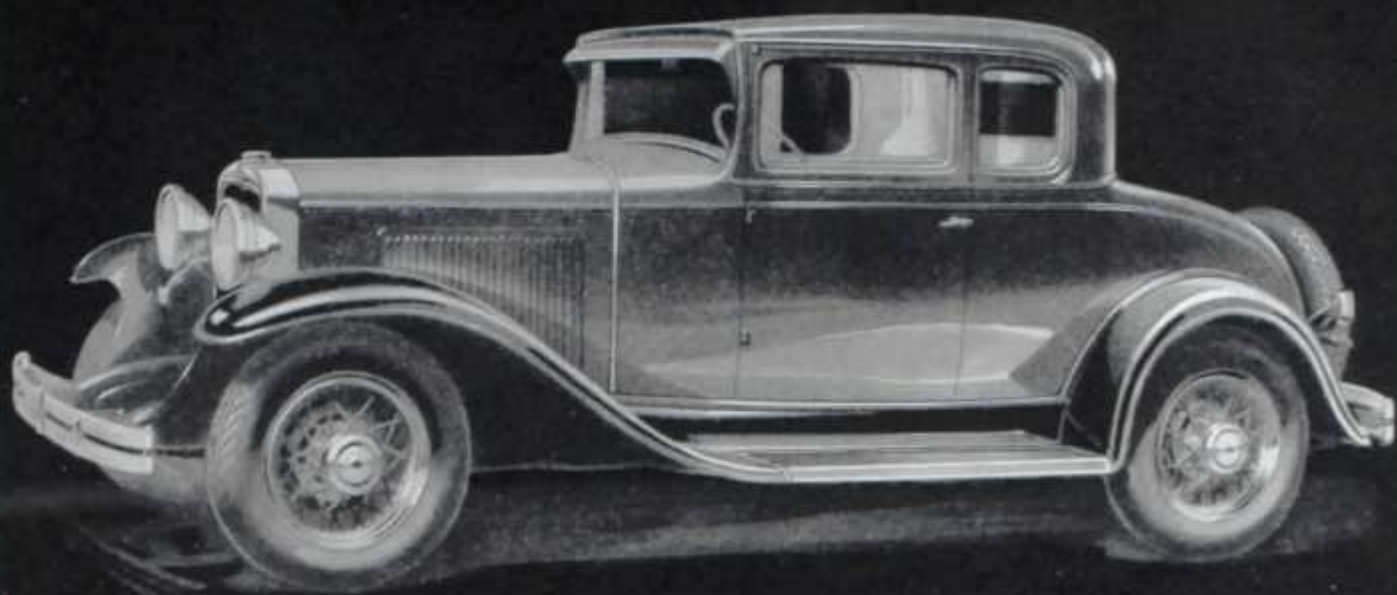
The miner who once toiled with a pick now guides a machine

How can people using tools such as this compete with America's sugar industry?



PHILIPPINE BUREAU OF SCIENCE



*The Chevrolet standard five-window coupe*

## Setting new standards of economy through lower first-cost and greater reliability



Chevrolet has always stood for economical transportation. But in no previous Chevrolet has economy been so pronounced as in the new car for 1931. The new Chevrolet Six is a bigger and better car throughout—attractive in appearance, improved and refined in every vital feature which adds to durability and economy—and priced at new low levels. These advantageous features of the new Chevrolet Six recommend it especially for business and industrial fleet use, where uninterrupted,

low-cost transportation is a necessity. Among the improvements in the new Chevrolet Six are a smoother six-cylinder engine; a longer, stronger frame; a new, more durable clutch; a smoother transmission; a sturdier front axle; and new, skilfully insulated, hardwood-and-steel Bodies by Fisher, built for safety, comfort and long life. In fact, *quality* is the keynote everywhere in the design and construction of the new Chevrolet Six—quality, which combined with lower prices, marks this economical new car as the Great American Value.

## NEW CHEVROLET SIX

*The Great American Value*

**New Low Prices**—Phaeton, \$110 . . . Roadster, \$473 . . . Sport Roadster (with rumble seat), \$495 . . . Coach, \$543 . . . Standard Coupe, \$335 . . . Standard Five-Window Coupe, \$545 . . . Sport Coupe (with rumble seat), \$575 . . . Standard Sedan, \$635 . . . Special Sedan, \$650 . . . Special equipment extra . . . Chevrolet Trucks from \$255 to \$695 . . . All prices f. o. b. Flint, Michigan . . . Chevrolet Motor Company, Detroit, Michigan, Division of General Motors Corporation

*When visiting a CHEVROLET dealer please mention Nation's Business*



have a group with machinery which is expected to do for linen and the bast fibers what the gin has done for cotton. What consequences! And another group with other machines similarly effective in the production of coir. We hope these promoters are not self-deceived.

Rayon has already proved itself in another textile area, but is still young. What of the future of these sisters of cotton?

### The Iron Age

OTHER exhibits emphasized the passing of the Stone, the coming of the Iron Age. Apparently we have no definite multiplier to show the importance of this as in the case of textiles, but the Department of Labor has pointed out that a crew of men who made 44 tons of pig iron an hour in 1899 could make 203 tons per hour in 1927, an increase of 361 per cent in less than three decades.

Consider the social, economic and military consequences of all this.

Similarly, the international machinery situation is striking. The United States with six per cent of the world's population uses more than 50 per cent of

## Rules & Regulations TO BE OBSERVED BY ALL PERSONS EMPLOYED IN THE FACTORY OF **AMASA WHITNEY.**

- RULE 1** The Mill will be put in operation 10 minutes before sunrise, at all seasons of the year. The gate will be shut 10 minutes just sunset, from the 20th of March to the 20th of September; at 10 minutes just 6, from the 20th of Sept. to the 20th of March. Saturdays, at sunset.
- 2d** It will be required of every person employed, that they be in the room in which they are engaged, at the time mentioned above for the mill to be in operation.
- 3d** Hands are not allowed to leave the factory in working hours, without the sanction of their Overseer. If they do, they will be liable to have their time set off.
- 4th** Any one who by negligence or misconduct causes damage to the machinery, or impedes the progress of the work, will be liable to make good the damage for the same.
- 5th** Any one employed for a certain length of time, will be expected to make up their lost time, if required, before they will be entitled to their pay.
- 6th** Any person employed for an certain length of time, will be required to give at least 4 weeks notice of their intention to leave, (unless notified) or forfeit 4 weeks' pay, unless by particular agreement.
- 7th** Any one wishing to be absent any length of time, must get permission of the Overseer.
- 8th** All who have leave of absence for any length of time, will be expected to return at that time, and in case they do not return in that time, and do not give satisfactory reason, they will be liable to forfeit one week's work or less, if they commence work again. If they do not, they will be considered as one who leaves without giving any notice.
- 9th** Any thing tending to impede the progress of manufacturing in working hours, such as unnecessary conversation, reading, sewing, loafing, &c., must be avoided.
- 10th** While I shall endeavor to employ a judicious Overseer, the help will follow his directions in all cases.
- 11th** No smoking will be allowed in the Factory, as it is considered very unsafe, and particularly specified in the Insurance.
- 12th** In order to forward the work, job hands will follow the above regulations as well as those otherwise employed.
- 13th** It is intended that the bell be rung 5 minutes before the gate is hoisted, so that all persons may be ready to start their machinery precisely at the time mentioned.
- 14th** All persons who cause damage to the machinery, break glass out of the windows, &c., will immediately inform the Overseer of the same.
- 15th** The hands will take breakfast, from the 1st of November till the 1st of March, before going to work—they will take supper, from the 1st of May till the 1st of August, 30 minutes just 6 a clock, P. M.—from the 20th of September till the 20th of March, between sunset and dark—25 minutes will be allowed for breakfast, 30 minutes for dinner, and 25 minutes for supper, and so more, from the time the gate is shut till started again.
- 16th** The hands will leave the Factory so that they may be returned within 10 minutes from the time of leaving off work.

Winchendon, July 5, 1830.

**AMASA WHITNEY.**

In some early mills men were at their tasks literally from sun to sun



One girl with a modern machine can produce as much as 45,000 women with spinning wheels

wage, we export more than two billion dollars' worth of manufactured goods annually.

This is a paradox foreigners find it difficult to explain, and yet it does not seem so hard to understand, for in the United States our industries absorb about \$23 worth of machinery *per capita* per year, that is, 120 million people times \$23, or about \$2,500,000,000 worth of machinery annually.

As contrasted with this figure, British industries absorb about \$10 *per capita* per year; Germany \$9; China five cents. After all, is it surprising that these foreigners fail in competition if the facilities with which they work are so hopelessly inadequate? Apparently in these distant lands men have failed to recognize the size of the multiplier represented by the application of ma-

(Continued on page 72)

the world's industrial machinery. Applying appropriate multipliers in every industry we probably have here the explanation of the American standard of living long recognized as being far higher than that of any other country, or at any other time in history. And yet, in spite of the high American



UNDERWOOD & UNDERWOOD

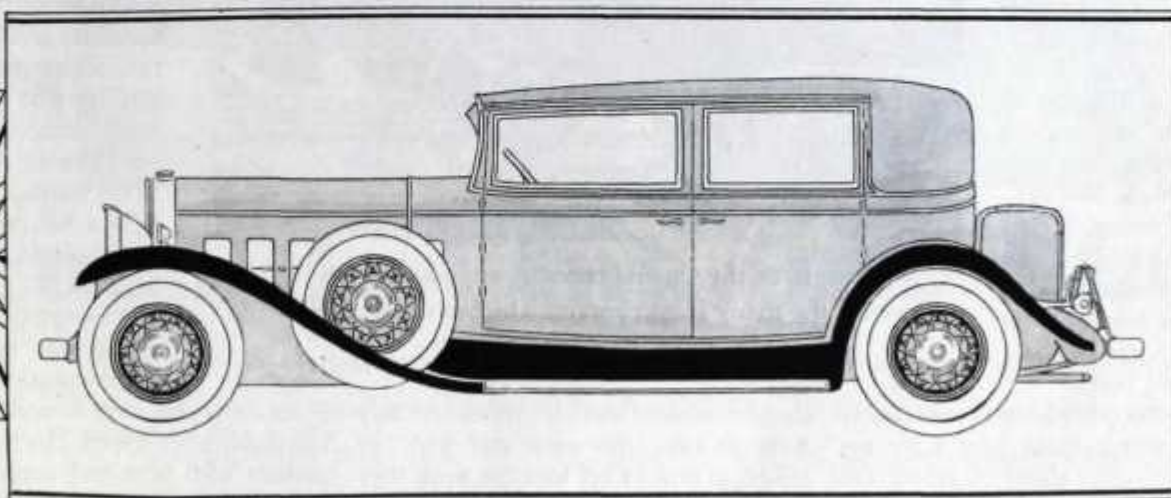




SHARING in the fullest measure those basic engineering advancements out of which were born the Cadillac V-12 and the V-16—the new Cadillac V-8 offers an entirely new conception of the possibilities of eight-cylinder design. Nowhere is its performance excelled, save in its brothers, the V-12 and the V-16. Yet this finest of V-8 Cadillacs is offered at deeply lowered prices.

*Priced from \$2695 to \$3795, f. o. b. Detroit*

Cadillac Motor Car Co., Division of General Motors



*The 5-passenger Town Sedan, with travel trunk, is  
one of the most popular of the new V-8 models.  
Coachwork by Fisher and Fleetwood*

C A D I L L A C V - 8



# Bringing Job and Worker Together

By GEORGE E. GILL

Director, Indianapolis Employment Bureau

DECORATIONS BY DON MILLAR

**A** FIRST-HAND knowledge of the human side, as well as the economic and social side of employment and unemployment problems, can be obtained by working in and with a public employment bureau. Six years ago, the Indianapolis Foundation turned over funds to a committee of local citizens to be used to maintain a free employment bureau for one year as a demonstration. The Foundation has since then annually appropriated funds to maintain the bureau.

The only interest of the citizens' advisory committee which constitutes the board of directors is to see that the bureau does the thing for which it was established—facilitates employment in Indianapolis. Politics do not enter. The committee has always wanted facts as found. Some of these are recorded here.

Among the unemployed are many capable young persons who have not thought seriously about a permanent position but who go from job to job enjoying the experience and telling themselves that there is plenty of time yet. Some of them want to know what field they should enter. To answer these young people requires a vast store of information and understanding. It is a serious job to help start a boy on a life career.

The boys or girls just out of high school who do not intend to go to college are future assets for their city. They want to work. They have their

own preferences and air castles, and they want to talk with some one who can tell them how to get into the work they want to enter. They usually take any job they can get, but they need en-

is active in his church and lodge, and has children in school. His friends sympathize with him and suggest that he see certain well-known firms, which he does. These firms treat him kindly but

couragement in their plans for the future. Many go to the public employment bureau for advice.

## Advice to young

THEN there are many young people with limited schooling who are looking for employment. They want "just anything," they say. No one seems much interested in their future. Those most interested, usually their own family, are not qualified to give much occupational information.

Some one should show young people out of school where they can obtain data on the possibilities ahead for them in the various trades. A public employment bureau has an opportunity to do much of this, and it is a big field for economic service to the community.

Among the unemployed is the man who has his home nearly paid for,



A study of the expenditures of any family will reveal the many local contacts which a dollar makes

- ANY plan which facilitates employment reacts to the benefit of employer, would-be employee and the community at large. Such a plan has been worked out in Indianapolis through intelligent cooperation. Here Mr. Gill tells of some of the problems of this employment service and the peculiar needs which it has been filling for the past six years





# Turn Red Ink into Black

Even a fraction of a cent a mile saved in haulage costs will often eradicate red ink in the final profit statement of a business. Very often the REO saves as much as one or two, or even three cents a mile.

REO SPEED WAGONS and

TRUCKS are *fast-moving*, and saving on repairs, tires and gasoline. REOS are equipped with bodies that fit the need, that save on loading time and truly advertise the owner's business. With so many savings possible, *call REO in.*

REO MOTOR CAR COMPANY, LANSING, MICH.

SPEED WAGONS

**REO**

AND TRUCKS

*When visiting a Reo dealer please mention Nation's Business*



have no openings. He comes to the public employment bureau. He cannot be patted on the back and told to "cheer up." He merits the best advice available. He is a good citizen and should be kept in the city. His morale should not be allowed to sag.

Among the unemployed is the man who has been doing semi-skilled work for many years. He is a good worker but a poor job seeker. He has been satisfied and never has sought other jobs.

### Varied applicants

THERE is the widow whose husband always made a good salary but most of which they lived up as fast as it was made. She has spent most of her years in the home and is not experienced in the kind of office work she seeks.

There is the capable stenographer who has been earning a larger salary than she can obtain now.

There is the chronic grumbler who likes to write his complaints to the newspapers or to go to some prominent man and tell him about the "raw deal" received from the bureau.

There is the easy-going person who comes downtown to get away from his wife who chides him for not being able to get a job, and so on.

Nearly every employable unemployed person is an economic asset, but these persons must be individually placed. They cannot be handled as a mass.

A few instances come to mind. A college graduate, whose schooling was interrupted by military service in France and the subsequent time spent in regaining his health after the war, was seeking a suggestion as to what kind of work he should do.

He came to the bureau low in spirits with the question, "What is the best thing for me to do?"

Induced to talk about his aspirations, he confided that he had one pronounced ambition. The interviewer encouraged



Helping start youths on careers is a serious job

him and told him how he could make himself an authority in the new industry which was slowly growing. As is the case oftentimes, certain developments came more quickly than were expected and he found himself better posted than anyone in the community. He got a \$300-a-month job because of that fact.

A 19-year-old girl came to the bureau. She had left her Tennessee home to go to Chicago to study art, had lost nearly all her money and had just enough to get to Indianapolis. Through the bureau's efforts she was persuaded to go to the Young Women's Christian Association, where her transportation home was arranged. Before leaving she admitted she had been on the verge of suicide.

The bureau recalls placing a lawyer from another state who came to Indianapolis to kill himself because he felt he had failed in his profession. His suicidal attempt failed, but left him very ill. The bureau was asked to help pull him out of his despondency and to inject a

little optimism into him. The bureau arranged an interview with an employer, who later hired him.

This summer the bureau placed a mother and son with a family going north, the mother to do domestic work and the boy to do chores. The mother was grateful because it gave her a chance to be with her son. Economic necessity in the past had made it necessary for her to keep him in a boarding home while she worked elsewhere.

No one will deny that every wage earner added to a local pay roll helps business in the community. The retail buying power of one person, perhaps, is not so noticeable. Mul-

tiply it by 100, 500, or a thousand, however, and it becomes quite evident. That is why every retail business man should interest himself in decreasing the number of unemployed in his community.

### Good jobs make good business

LOCAL wholesalers and manufacturers are directly affected, too, because of the business which comes to them from the increased sales of local retailers. The concerns doing a national or semina-tional business may be interested only from the personnel viewpoint. The good worker, for instance, who is struggling to keep a big family is uneasy when the other wage earners of his family are without work. Jobs for the other workers relieve the pressure on him, making him happier and more productive at his job.

Wages for the most part go into local channels and that part which goes out of the city does not leave until the local dealer has received a part of it. A study of the expenditures of any family will reveal the many contacts a dollar makes and the number of local persons served by it.

Helping people find work is not always easy. Those who are employable deserve the intelligent attention of the business interests of every community. Many remedies for unemployment have been suggested.

"States and municipalities should be responsible for building efficient unemployment exchanges," recommended the Committee on Education and Labor, United States Senate, after hearings in the winter of 1928-29.

One hundred and eighty-nine cities in 42 states and the District of Columbia have public employment bureaus. These cooperate with the states and with the United States Department of Labor. They serve both employers and applicants for work without charge and are tax-supported.

Some of these bureaus are manned by alert and intelligent staffs and are doing excellent jobs. Others are criticized.

Some bureaus issue apparently accurate reports of their activities. Others put out reports which seem unbelievable. Some boast of the placements made and how little each of these placements costs. When bureaus compute their cost per placement and compare them with others, the temp-



Bolstering morale is one of the bureau's functions





## If you prefer Noise with your work why not have it Musical?

It is said that the stars of Movie-land do their best work when inspired by the strains of appropriate music. But who ever heard of a sale closed to music? Or a conference conducted to the strains of Mendelssohn's Spring Song?

All noise is disturbing in business. And of all distracting office noises, the commonest and costliest is typewriter din . . . that incessant clatter that drowns out the telephone caller . . . plagues the thinker . . . disturbs discussion . . . slows up the typist, and raises the whole pitch of the office to a thought-destroying hub-bub.

There are two types of men who

tolerate typewriter din. The man who, for some strange reason, endures it; and the man who has not yet had the fortune to know the REMINGTON NOISELESS typewriter. To the latter this advertisement is addressed.

We want him to know that besides doing its job with utter noiselessness, the REMINGTON NOISELESS is a better typewriter. That the very

precision of design that makes it *noiseless* . . . also makes it a finer writing machine. Producing cleaner-cut, more exactly aligned letters. Sharper, more legible carbons. Clearer, die-cut stencils. That its new principle of design, substituting a pressure-stroke in place of a hammer-blow, not only makes it faster, but easier on the operator.

A telephone call will bring a REMINGTON NOISELESS to his office for a demonstration . . . one of the most profitable half hours he has ever invested. Remington Rand Business Service, Inc., Typewriter Division, Buffalo, N. Y. Sales offices in all leading cities.



# Remington

# Noiseless

IT TAKES THE *Bedlam* OUT OF BUSINESS

When phoning or writing a REMINGTON RAND office please mention Nation's Business



tation is to pad reports or at least to "assume" that applicants got the jobs to which they were referred. Maybe some one "higher up" wants the public employment bureaus in his state to make a good showing and consequently does not exact an accurate checking up. It is not so much the number of placements as it is the kind, that counts.

Consider, for instance, the value of this placement made by a free bureau. Speaking of it, the woman placed said:

My husband out of work in fall; on account of sickness lost his job. Finally had to pay for a job in his line, part out of first month's salary. Expenses had gone on. Three children and husband's mother besides myself to support. I had to go to work to help pay back bills. Applied to — Company for employment, they wanted young folks with nimble fingers, so employment woman referred me to Indianapolis Employment Bureau. You immediately found me a good temporary position with good remuneration considering my age and experience. It has been the means of my helping to pay up the back shortages on the family budget and, if I am employed long enough, I can help to put the same on a firm basis so my husband can carry on on his own salary. It has been a wonderful help.

The employing public can help make the public employment exchange more efficient by looking into existing conditions and giving intelligent thought to improving them. Employment conditions will always play an important part in business, and the superintendent or some one in each bureau should be in a position to discuss existing conditions intelligently.

### **Employer should visit bureau**

THE employer will find that public employment bureaus have perplexing problems. The apparently inefficient bureau should not be criticized too severely from a distance. Visits from employers mean much to a bureau staff. Once the bureau realizes that the employer wants only a certain kind of help, it will usually try to send him that kind. If the employer feels that he is not getting good service or that the bureau is negligent he can report his experience to some one higher in authority. The employers' attempts to make their local employment exchange a good one will be rewarded if they exert themselves.

Let us look further into the inner workings of a public employment exchange and consider some of its problems, opportunities and achievements.

Every public employment bureau is consulted frequently by persons wanting to change jobs. Some are justified in

their desire. Many should stay where they are unless they have some definite job in view. Those seeking new connections could be dismissed quickly and courteously by telling them that the bureau's policy is not to move people from their jobs except in unusual cases. The public employment exchange, however, owes it to them, their employers, and the community to hear their stories.

Many persons who want to change need to be shown that their present jobs may not be as bad as they think



**Another type is the grumbler who likes to write to the papers**

they are. Frequently it develops that they have not given their best efforts and need to be spurred on to work harder and outgrow their own jobs first.

The public employment bureau can convince some of them that they have done nothing to merit promotion. It can tell all of them that if they will throw their energies into their jobs as if they owned the business there will be no need for many of them to seek better jobs, because they will gain them by promotion.

A typical problem which came to our bureau was that of a young traveling salesman. He had just started in a salaried sales position with a nationally known company when a similar position was offered him by another company to which he had formerly applied. The bureau confirmed his idea that he was obligated to his present employers because of the excellent treatment they had given him.

Morale building is frequently necessary in times of unemployment. A man's own state of mind can push him up or pull him down.

Unemployment, together with a few

disappointments in attempting to obtain work, frequently make a man so bitter that his attitude reacts against him. The right sort of a public employment exchange can help bolster a man's morale.

### **Much personal contact**

A PUBLIC employment bureau can be the clearing house for many kinds of information. Many applicants like to talk. They will talk about their city, its organizations, employers, opportunities for employment, and so on. Some of these applicants have made observations which seem practicable. Others are knockers. They do not know the gravity of the unsubstantiated rumors they circulate. Many of these rumors hurt business, and a service to the community is performed when persons circulating them are made to realize what they are doing.

Each summer when any city has many students and teachers looking for summer work, other young people from nearby places write to inquire about possible openings. Some one should be able to give them information concerning local conditions and help to prevent enlarging the list of unemployed. The same is true also in times of general unemployment.

It is obvious that a public employment exchange can do much for its city in addition to minimizing unemployment. Community welfare can also be furthered, but the bureau's accomplishments in this direction cannot be tabulated in statistical form. How well the bureau functions along this line is determined by the attitude of its superintendent and his advisers. Unfortunate is the public employment exchange which must account for all its efforts in terms of the number of placements made.

The community-welfare function divides itself into two parts—economic welfare, and social service. The social-service function is important, and the bureau must recognize its responsibilities and limitations in trying to restore the poor and needy to their former economic and social status.

The importance of this whole question of employment and unemployment must inevitably impress itself upon any business man who goes deeper into the economic texture and environment of the industry of which he is a part.

He must realize that he can really help his own business by giving thought and cooperation to those who are trying to facilitate employment in his own community.



# IN SOAP

as in all packaging—



## THE LEADERS use Pneumatic Machines

Lux, Ivory, Duz, 20 Mule Team, Prides, Super-Suds—these are names to conjure with in the soap industry. Together, their productions represent billions of packages yearly.

Keeping pace with production, holding down waste and costs in their tremendous packaging operations is a major problem to them. Significant is the fact that they have all chosen the same method as the most efficient answer to their packaging needs . . . Pneumatic Scale Packaging Machinery.

Not only in soap, but in practically every packaging industry, the largest producers employ this same method of packaging their product. As a manufacturer of packaged goods, no matter what your output, the efficiency of your packaging operations is a matter that vitally influences sales, good will, and profits . . . If you are contemplating the purchase of packaging machinery, if you desire to increase the efficiency of any phase of your packaging operations you can do no better than to investigate the advantages of this system that has the endorsement of America's most successful producers.

Write for a copy of "An Interview," an unusual presentation of the qualifications of the Pneumatic Scale Corporation and its ability to serve you.

### PNEUMATIC MACHINES

Carton Feeders—Bottom Sealers—Lining Machines—Weighing Machines (Net and Gross)—Top Sealers—Wrapping Machines (Tight and Wax)—Capping Machines—Labeling Machines—Vacuum Filling Machines (for liquids or semi-liquids)—Automatic Capping Machines—Automatic Cap Feeding Machines—Tea Ball Machines

## PNEUMATIC SCALE PACKAGING MACHINERY

PNEUMATIC SCALE CORP., LTD., NORFOLK DOWNS, MASS.  
Branch Offices in New York, 26 Cortlandt Street; Chicago, 350 North Michigan Avenue;  
San Francisco, 320 Market St.; Melbourne, Victoria; Sydney, N. S. W., and 9 Whitehall,  
London, England



# A Stepping-Stone to World Trade

By F. A. COLLINS

**T**HE OLDEST distributing concern in the world, the Leipzig Trade Fair, has survived the political upheavals and business debacles of seven centuries. As a result of this long evolution, the Fair has become the greatest international exchange in the world for every conceivable industrial product, where 500 million dollars' worth of business is regularly transacted. Today 72 countries are represented at Leipzig as exhibitors and buyers, with America much in evidence.

The Fair has been happily called the show window of the modern industrial world. The newest products are artfully displayed, and the industries are so grouped that visitors may inspect thousands of products, gathered from the leading producing countries, in a few hours. To house the exhibits 67 buildings have been erected, which are filled with the products of 22 countries.

There is direct trading between manufacturer and wholesaler and the commercial buyer. Every facility is provided for the transaction of business. Although the Leipzig Fair attracts a cosmopolitan gathering, there is not the slightest confusion of tongues and the immense volume of business is transacted with modern efficiency.

## Selling is made economical

THE success of the Leipzig Fair is due primarily to the important economy in time and money it makes possible for men in all lines of trade. The producer is enabled to meet potential customers face to face. New contacts are made with the least possible expenditure. The in-



Street displays such as this one add colorful and striking notes to the Trade Fair

**THROUGH** the last seven centuries the Leipzig Trade Fair has drawn business men of every kind and country to the historic old town in Saxony. Today business men, among them hundreds of Americans, still eagerly visit Leipzig to buy or to sell goods

dustrial world meets on equal terms in friendly rivalry.

An interesting example is afforded by an American toy maker who recently exhibited his products at Leipzig. Satisfactory business was transacted at the Fair with buyers from three continents. The ordinary visits to these countries would have taken four months and an outlay of \$20,000, whereas the expense of the Leipzig Fair display, including the trip to Europe and return, was well under \$2,000.

The Leipzig Fair at present comprises some 10,000 exhibits gathered from the

leading producers of more than a score of countries. It is regularly attended by about 180,000 buyers. Of this number fully 30,000 come from countries other than Germany. The United States is well represented with more than a hundred exhibits of significant products, while some 3,000 buyers from all parts of this country are in regular attendance.

## Two fairs a year

THE Fair is held for a single week twice a year, thus conserving the time of the visitor. The Spring Fair, which is the more important meeting of the year, will be held March 1-7, 1931.

For thousands of American business men, the Leipzig Fair serves as a stepping-stone in expanding their interests to include widely scattered markets. Leipzig is not only a great goods exchange, but, in effect, an international congress for the exchange of the newest ideas in every business activity.

The producer and the buyer meet literally thousands of men from all parts of the world

with common interests. The newest thought in every line of production is assimilated, knowledge which is invaluable in our modern world of intense competition.

The Fair is essentially a manufacturer's fair, for 97 per cent of the exhibitors fall in this class. While it is of ancient origin, its exhibition buildings are of modern design and facilities. The manner of displaying the goods and the many helps offered by the administration to foreign buyers enable them to do much business in a minimum of time.





THERE'S a lesson every manufacturer can profit by in the homey task of peeling potatoes. A good deal of the potato is still thrown away with the peel—and always will be as long as potatoes are peeled by hand.

Probably you've got at least one slow hand operation in your plant that is wasting time and material, because no machine has ever been built to do the work. If you have, you are losing money that can be saved!

Special Production Machines have helped a number of manufacturers in varied industries to make bigger profits, better products by designing and building for them speedy, efficient machines to replace slow, costly hand operations—machines they needed but had never been able to buy. Sometimes our work has enabled them to definitely outstrip competition.

Today's profits are being made inside the factory. Write Special Production Machines, Norfolk Downs, Massachusetts, for proof of how we have helped a number of manufacturers in varied industries to bigger

profits through better production, and for complete information on our service and methods of operation.

# Special

## PRODUCTION MACHINES

*A Division of* PNEUMATIC SCALE CORPORATION, LIMITED

For over forty years, Pneumatic Scale Corporation, Limited, has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise

*When writing to SPECIAL PRODUCTION MACHINES, INC. please mention Nation's Business*



# Let Game Birds End Farm Depression



HORRYDECAR, WASHINGTON

Predatory birds such as the horned owl are obstacles to game preservation

By **JOSEPH P. KNAPP**

Chairman Executive Committee, Crowell Publishing Company



**MR. KNAPP**, a business man with wide experience in the publishing and insurance fields, suggests here a plan which, he says, would mean 300 million dollars a year in new business for this country. Not only that. It would mean a fine, new food supply, some excellent sport and preservation of game birds. He has already moved to put the plan in operation

thing if that extra 300 million dollars were going into the markets right now.

As the Foundation's name suggests, this new crop is game birds—our fine old native American game birds, wild duck and geese, bob-white quail, partridges and wild turkeys. These are all but wiped out now, due to our almost unbelievable stupidity and recklessness, but they can be saved and vastly increased by proper methods of propagation.

The only way to make game birds abundant, as is well said by the State Ornithologist of Massachusetts, Edward Howe Forbush, is to commercialize them. Make them mean something to most people, or to a lot of people, in the way of money. Then they get interested.

## Fewer birds

**EARLY** in the nineteenth century the United States had a greater variety and number of wild food birds than any other country. In the past 50 years this great natural resource, once considered inexhaustible, has decreased tremendously. Ornithologists and sportsmen deplore the rapid, steady disappearance of a wonderful food supply and a marvelous natural crop. They have predicted the absolute extermination of

**HATE WASTE.** Economic profligacy to me is not only deplorable but detestable. It is a crime against life.

We Americans are incredibly, fantastically, wasteful of Nature's bounty. For a hundred years we have been throwing her gifts away with both hands. We have had a grand spree. The headache is about due. In fact, there have been more than a few twinges.

Others have said all this to a careless and indifferent public. Talk gets nowhere, however well meant. Somebody has to do something. So we started the Foundation, "More Game Birds in America." Its one and only purpose can be found in its title.

The task to which this Foundation has set itself is to create a new crop for the American farmer; to provide him with another source of income, sure, lucrative and demanding from him little increase in labor. This new crop should put at least 300 million dollars in his pocket every year. That extra money would pay off several farm mortgages, wouldn't it? It would go a long way toward cheering up country bankers who have invested in these mortgages. It would be just that much added to the spending, purchasing power of the country. It would be a mighty good



game birds in America. We have mourned sufficiently over the disappearance of the passenger pigeon and the heath hen. Unless we take thoroughly practical steps and adopt business-like methods we will soon be attending the obsequies of all migrating fowl and upland game birds. Yet we have passed more game laws than any country ever had and amended them more often. There has been an ever-rising tide of game legislation.

But the more laws we have passed the less game we had. All this legislation was almost wholly restrictive, and no attention whatever is paid to propagation or to the great economic, commercial possibilities of wild game birds as a national crop, as a source of new income for the farmer. Heath hens became extinct within a few years after the law had prohibited killing them.

### Practical conservation of birds

VARIOUS individuals and organizations, farseeing and unselfish, have tried to check the appalling waste of our game-bird crop, and in many cases their efforts have been supplemented by trained government and state officials. But these efforts have been sporadic, widely scattered, uncoordinated and insufficiently financed. To bring about a complete change in the present method of game bird control, conservation and replacement will take years and a lot of money. You can't work for a year or two, getting people interested, and then shut up shop because no money is left to pay the rent. We organized the More Game Birds in America Foundation so that this movement can get going and stay going with plenty of financial oil for the gears. The Foundation has a million dollars to start with and can get more as necessary.

Having had a fairly stiff training in business methods, I have no use for the impracticable. There wouldn't be a particle of sense—except for a dash of sentiment—in going into this broad plan of game-bird reproduction unless we had facts proving its soundness, practicability and, therefore, its assured success. It has already been tried successfully elsewhere.

By using methods similar to those the Foundation will attempt to popularize in America, the British in six years replaced their wild game birds, almost totally destroyed during the War. What has been done on the grouse moors of Scotland and the partridge and pheasant preserves of England, can be duplicated on a far grander scale in America. We have a more favorable terrain, one-tenth of the British population per square mile and fairly well distributed wealth—everything needed for success.

The Game Act of Great Britain, passed in 1831, has been the basic game law of that people for a century. In all that time only minor details have been amended. Since the Act was passed, partridges have increased more than 200 per cent and pheasants more than 1,000 per cent. Game birds are killed in tre-

mendous numbers every year during the long open seasons. They know how to have their cake and eat it, too. They have a wonderful game reproduction and a thorough replacement system.

### The War hurt British game

THAT system had a severe test during the World War, and it is this test which convinces me that we can make the system work in America with splendid commercial results. When the War started, most of the 12,000 British gamekeepers went into the service and, after the second year, game production virtually came to a standstill.

Naturally vermin increased rapidly. Foxes, weasels, stoat—all manner of greedy little carnivori—multiplied and took a heavy toll of wild nesting birds. At the Armistice the number of gamekeepers had been greatly reduced and less than ten per cent of the annual carryover of game birds for breeding purposes was available. It looked as if game in Great Britain was done for.

Not a bit of it. Using their old, well-tested methods, the British put the supply back to normal in those six years from 1919 to 1925, an increase of 900



BUREAU OF BIOLOGICAL SURVEY

**A sporting industry worth 300 million dollars a year to farmers is the Foundation's goal**



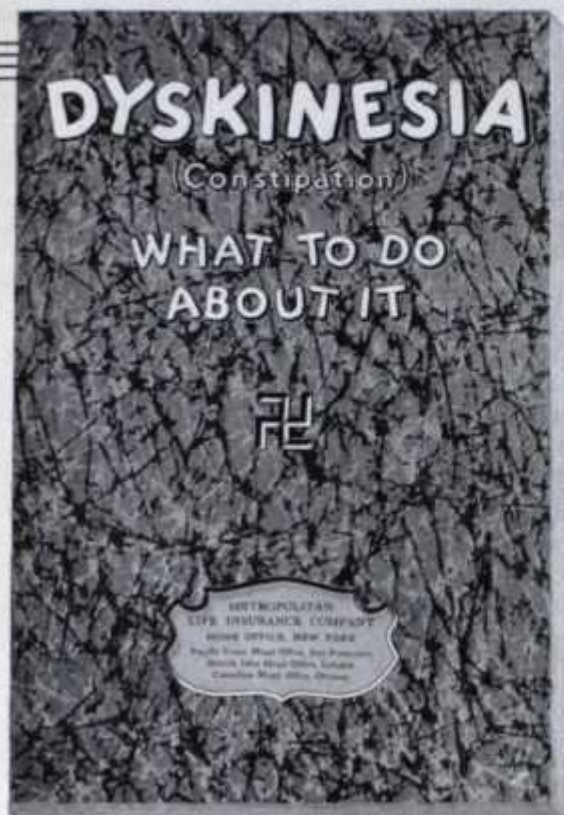
BUREAU OF BIOLOGICAL SURVEY

per cent, and the game-bird industry once more began to play an important part in the economic scheme of things—a part we here in America scarcely comprehend. It once more gave employment to thousands, pleasure to men of moderate means as well as to the rich, and sent to the market at poultry prices a fine food supply.

Game farms and gamekeepers wasted no time bemoaning the situation and changing the law. They turned a deaf ear to the people who urged "Cut down



# DYSKINESIA



**I**F MISERY loves company, the person who has Dyskinesia [dis-kin-ees-ia] may be interested in learning from his family doctor that at least one in every three of his adult patients suffers from the same ailment. But he can take a good deal more comfort in knowing that Dyskinesia not only can be prevented but it can be cured—without resort to drugs.

Continued dependence on laxatives and cathartics, taken to relieve Dyskinesia, may be dangerous. They may bring temporary relief while causing great damage as time goes on.

Doctors attribute many serious troubles to Dyskinesia—colds, sick headaches,

indigestion, dyspepsia, chronic inflammation of the intestines, in addition to "below-par-ness" in general. They also suspect it is responsible for certain disturbances of the gall-bladder, or of the kidneys, and for other disease conditions frequently associated with old age.

Just as improper diet, incorrect health habits, lack of needed exercise, rest and fresh air will cause Dyskinesia, proper diet, correct health habits and exercise will cure it, even when chronic.

Take no medicine for it unless advised by your doctor. Send coupon for the booklet, "Dyskinesia", which describes diet, living habits and exercise necessary to overcome constipation. Mailed free upon request.

## What to do about it

Send this coupon today

Metropolitan Life Insurance Co.  
1 Madison Avenue  
New York, N. Y.

Dept. 231-U

Please mail without cost to me a copy of the booklet, "Dyskinesia", which tells how to avoid and how to overcome intestinal sluggishness.

Name \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_



## METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, PRESIDENT

ONE MADISON AVE., NEW YORK, N. Y.

*When writing to METROPOLITAN LIFE INSURANCE COMPANY please mention Nation's Business*





The Association idea is to preserve only basic breeding stock. Bags would be unlimited

the seasons," "Reduce the bag limit," and such ineffective measures.

They bred and released game birds, and then still more. They killed off the vermin.

They don't set bag limits, but landowners are too intelligent to permit encroachment upon basic breeding necessities. If you lease a moor in Scotland and go there to shoot grouse you pay according to the number of birds you will be permitted to kill in the season. If the land can stand it, you may be allowed 5,000. Or it may be only 500. The gamekeepers know down to the bird just what can be done. You can shoot your 5,000 or your 500 in ten days or in one day, as you like. But when you have shot your quota you are through. Not another bird are you allowed to kill.

But there is no idea of preserving anything but the basic breeding stock. They believe over there that game birds were meant for man. When a shooting party kills 1,000 or so they can't eat them all, of course. So they send them to the market, at poultry prices. In Scotland alone ten million dollars is paid to the landholders



BUREAU OF BIOLOGICAL SURVEY

PUBLISHERS PHOTO SERVICE



Mr. Knapp believes that the way to increase game is to commercialize

We have passed more game laws than any other nation

every year for shooting privileges. In addition to that sum, hunters who go to Scotland for grouse must spend ten times that amount there annually. Think what such funds would mean to our farmers. Some people have estimated that it would produce 300 million dollars a year in shooting privileges alone. Personally, I think a shooting industry can be built up totaling a half billion a year.

So we organized the Foundation. Here's a partial list of the





## Faster Travel ~ Over the West's Largest Bridge

California's historic old car ferries, Solana and Contra Costa, are being retired. So ends one of the fascinating phases of western travel which survived for half a century but has now become too slow. In their place stands a monumental example of engineering and construction progress, the new Southern Pacific railroad bridge across Suisun Bay.

Forty-four million pounds of steel were required in the vast superstructure of this bridge. Erecting this steel was a difficult task and several Industrial Brownhoist heavy-duty erection cranes were used by the American Bridge Company on the work. The structure was completed in record time and six weeks ahead of schedule.

Greater speed at lower cost is the need today and nowhere is this more essential than in the handling of materials. Thousands of owners will tell you that an Industrial Brownhoist locomotive or crawler crane is the best answer to this challenge. You can determine this for yourself by letting our representative show you some of these cranes at work. The time spent will be well repaid.

**Industrial Brownhoist Corporation, General Offices, Cleveland, Ohio**

District Offices: New York, Philadelphia, Pittsburgh, Detroit, Chicago, San Francisco, New Orleans

Plants: Brownhoist Division, Cleveland, Ohio; Industrial Division, Bay City, Michigan; Elyria Foundry Division, Elyria, Ohio

# INDUSTRIAL BROWNHOIST

*When writing to INDUSTRIAL BROWNHOIST CORPORATION please mention Nation's Business*

founders: William Henry Barnum, Francis D. Bartow, Thomas H. Beck, Clarence E. Chapman, William E. Corey, Frederick H. Ecker, Governor O. Maxwell Gardner of North Carolina; Gilbert Greenway, Jr., John P. Grier, Dr. John A. Hartwell, Richard F. Howe, John C. Huntington, E. R. Johnson, Wayne Johnson, Thomas W. Lamont, Lee W. Maxwell, Jeremiah Millbank, Edward S. Moore, Paul Moore, J. P. Morgan, Ogden M. Reid, Charles H. Sabin, W. O. Saunders, George Slade, James A. Stillman, Myron C. Taylor, George Whitney, Senator Cameron Morrison.

The list grows daily as the good news spreads among the keen business men and sportsmen. Many have put \$50,000 each into the Foundation. That list includes the names of some of the most successful business men in the United States. They are not in the Foundation for sentimental reasons. They are in because they see the economic value of the plan.

Recently Governor Gardner of North Carolina, one of the founders, called a conference of game raisers, sportsmen, farmers, educators, and legislators to take steps to make his state a model in game-bird laws and in research, education and experiment. The More Game Birds Association of North Carolina was brought into existence.

### Model farm and school

THE first act of the Association will be to establish a model breeding farm. The farm will act as a laboratory for classes in breeding and raising now being set up at the State Agricultural College. A legislative committee has been formed to consider existing game laws, and draft a new bill which will supersede all present laws in conflict.

At that conference, which was held in my home on Mackay Island, I called attention to the fact that probably not more than 100 men in the United States today are fully qualified to raise game birds. Great Britain has 12,000 gamekeepers. America, at the same ratio of population, should soon have three times that number, which, at salaries of \$2,000 a year or more, would mean a vast amount in wages for a vocation hitherto practically unknown in this country.

Don't let the old Tarheel State get too far ahead of yours, for they are out to make that state the "Scotland of America." And remember that propagation is the keynote—propagation and not restriction.





**N**O OTHER PRODUCT WAS EVER PROVED BY SUCH TERRIBLE TESTING BEFORE IT WAS MARKED SO YOU CAN BE SURE OF GETTING IT . . .

*Unfailing supplies of clear, sparkling water, unclogged heating lines, and freedom from repairs at low cost are made possible by metal tested for 83 years.*

For 83 years Reading has been assuring clean water, unclogged pipe lines, and freedom from repairs for many, many years, by making pipe of genuine puddled wrought iron.

In modest home, in mansion, in factories and buildings, large and small, on locomotives, railroad cars and ships, under water, under ground, on the surface, between walls and floors, this pipe has been given all the terrible tests of service in every conceivable way for over four generations.

Only seven years ago, every inch of Reading Genuine Puddled Wrought Iron Pipe was marked with an indestructible indented spiral so that you can be sure of getting the pipe that has passed the tests of time.

It had to be marked because many people had become careless in using the word "iron". For many years "iron" had popularly meant puddled wrought iron as Reading made it then and still makes it. Quickly-rusting materials were developed that look like "iron", and often are sold as an "iron". But, of course, they failed to give the service which only genuine puddled wrought iron gives.

That's why, if you want permanence, freedom from repairs, and unfailing flow of water, air, gas, oil, or other liquids, look for the honest spiral, mark of the pipe that has been tested for four generations.

*For information and quotations address*

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### Reading Products

Boiler Tubes	Heavy Castings
Pipe	Tubes
Nipples	Bar Iron
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*Use only Reading 5-Point Nipples with Reading 5-Point Pipe . . . you'll know them by the indented spiral band.*

*For your protection this indented spiral forever marks all Reading Pipe.*

**READING**

*Science and Invention Have Never Found a Satisfactory Substitute for Genuine Puddled Wrought Iron.*

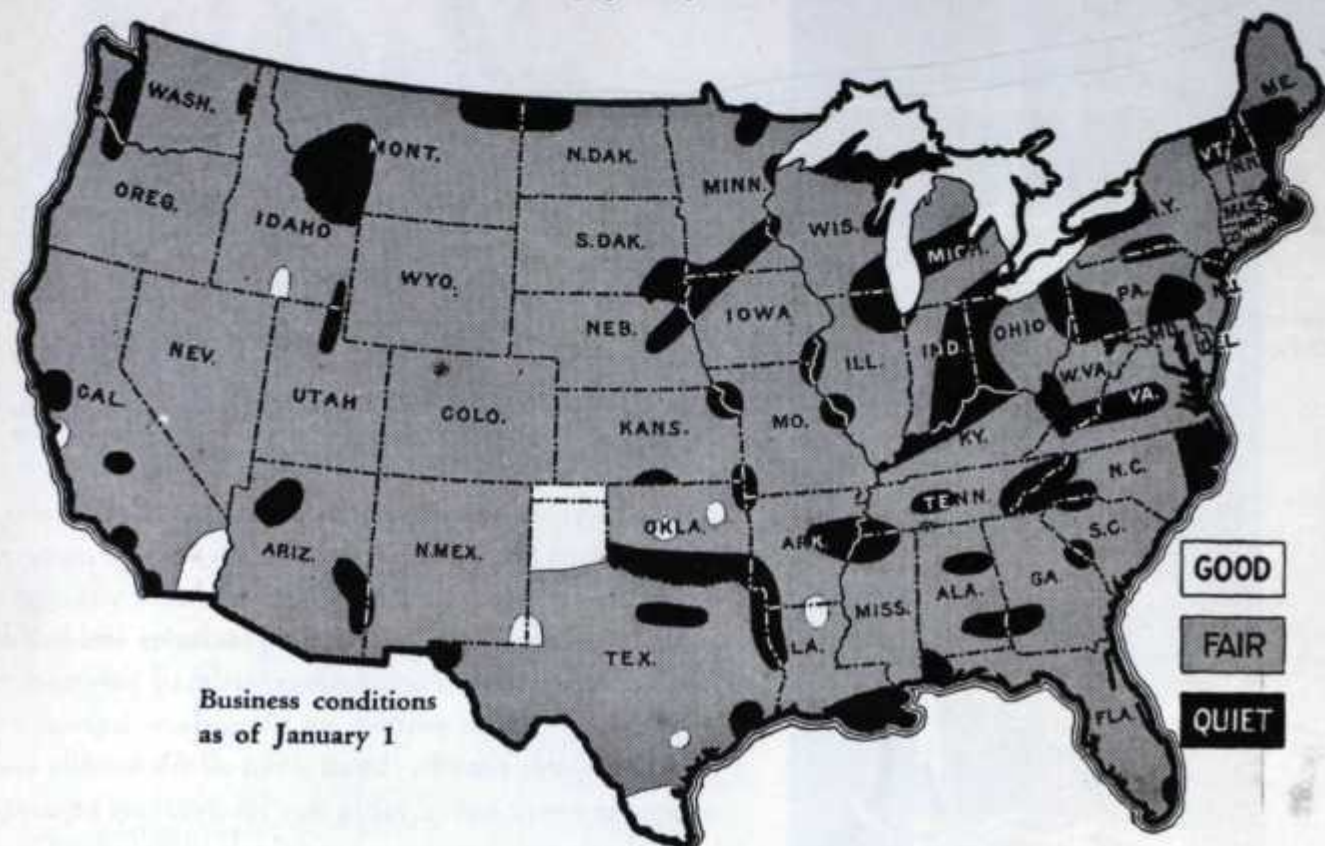
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# The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's



THE year just past was a dismal one, taking permanent rank among the least satisfactory periods in our business history. An upturn in the final days of December lightened the gloom somewhat

**D**ECEMBER 1930 saw still lower levels of stock prices and of commodities, the fifteenth consecutive monthly decline in commodity-price index numbers, a very large, perhaps a record, monthly total of bank suspensions and a record month in banking liabilities.

There was a further shading off of industrial operations, with extremely low figures for iron, steel and automobile production. Wholesale and jobbing trade showed more than a seasonal loss and the total value of retail trade was down as compared with the year before. This latter showing, however, was balanced by the fact that lower prices or a shifting of demand from more expensive to cheaper lines had resulted in as large or larger volume than a year ago in some, if not all, areas.

It may be said that December was a miniature of the year itself, with perhaps the exception that the close of the year, as if to make partial amends, saw a sharp rally in securities, grains and cottons and by this act afforded a fairly cheerful ending of a disappointing twelvemonth.

It might be well to recall that 1930 was the direct heir of



The map of  
last month



The map of  
a year ago

While December saw a falling off in the value of retail trade, the volume compared favorably with that of a year ago in most areas



# It's *YOUR* Fire —wherever it is!



BENJAMIN FRANKLIN  
Founded Mutual Insurance  
in 1752

THE weird screeching wail of a siren in the middle of the night!

It rouses you. A few moments at the window and you go back to bed satisfied that it does not concern you.

But it was *your* fire—yours and every other property owner's. For this fire and every fire takes money out of your pocket.

Fire insurance is an appreciable item in the overhead cost of property ownership. *And every fire contributes to the cost of fire insurance.*

Mutual fire insurance companies

pioneered prevention of fires—enlisting the cooperation of policyholders—offering engineering and research service—giving practical suggestions.

As a result the loss ratio of mutual fire companies has been consistently lower than that of other types of fire insurance carriers—and millions of dollars annually have been saved and returned to policyholders in cash dividends.

The fact that all dividend savings are paid to policyholders in a mutual cor-

poration is one basic reason why the fire prevention effort of mutual companies has been so effective.

A mutual fire company gives its policyholders the opportunity to profit directly and measurably by prevention of fire.

There are 75 leading, legal reserve companies in the Federation of Mutual Fire Insurance Companies. The oldest company has been operating for 178 years. Many others go back to the beginnings of the Nation.

An interesting outline of the workings of this form of insurance that has saved money for ten generations of American property owners, will be sent on request. Address: Federation of Mutual Fire Insurance Companies, 180 North Michigan Avenue, Chicago, Illinois.

A TYPICAL CASE.\* This building is located in a middle western city. The owners had paid an average of \$500.00 per year for fire insurance premiums for three years.

A mutual fire insurance company, one of the Federation group, was requested to make a survey of the property and an estimate of the cost of protection.

As a result the building was insured in a mutual company at a saving in cost of 25% to the owners. The net saving as compared to the former program has been \$125.00 per year.

\* The details given are the exact details of an actual case.



## MUTUAL FIRE INSURANCE

An American Institution

*Nation-wide Representation and Service*

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a number of troubles descending to it from 1929 but it experienced also enough woes to give it permanent rank among the least satisfactory periods in American trade and industry. Having seen the actual financial storm of 1929 skilfully handled by the New York banks and the Federal reserve system and having witnessed the business interests of the country, at the call of President Hoover, rallying to the work of rehabilitation and repair, the country entered 1930 with a good deal of confidence.

### Depression was world wide

GENERALLY speaking, the events of the first three months—especially the partial restoration of security values—supported if it did not justify the confidence expressed at the outset. As the quarter advanced, however, it became evident that the trouble had been underestimated and that it was not confined to this country. World commodity prices were likewise involved, it appeared, and the situation was more serious than had been appreciated.

After the middle of April, it became evident that the country was in for a hard time. The drastic decline in prices of all kinds in the second quarter was like a curtain raiser for the drouth, which heavily reduced production of animal-feeding crops while not greatly injuring cereal crops and other staples. One of the inheritances from the year before became a law in June when the Tariff Act was passed and signed. The last half of the year saw the rallies in prices of all kinds lose in power, and the usual fall buying movement did not measure up to anticipations. Nor did efforts of the Farm Board to maintain wheat and cotton prices prevent a steady decline in the two staple crops.

After July, Canadian wheat undersold the American product and Russia appeared as a considerable exporter in September and October. The reduction of outlets for this crop and of cotton cut down export trade for the year to the limits of eight years ago. One old tradition of the stock market, that prices must break through panic lows, found confirmation in June with the fall of railway stocks below November 1929 averages and with the recording of new low levels of industrials in October.

The earlier date of the rails breaking to below-panic lows was partly attributable to the decline in industrial activities in the second quarter and partly to the prospect of reduced tonnage later, due to the drouth.

The year completely missed the million-a-week carloadings of 1929 and preceding years, the reduced tonnage finding reflection in a reduction of 13.5 per cent in carloadings, 15 per cent in gross receipts and 31 per cent in net railway operating income.

Due to the drouth, crops like corn and hay, most of which are fed on the farms, fell off while wheat, oats, barley and rice, which must seek markets off the farms, gained. Other staples like potatoes, tobacco and cotton, which must similarly seek markets away from the farm, showed slight changes.

In other words the mid-country farmer had deficits in higher-priced feeding crops but a surplus for sale of things affected by low world

prices. Cereal yields decreased six per cent in quantity from 1929 but dropped 31 per cent in value. The total value of all crops was 27.6 per cent below that for 1929 and the smallest since 1921.

### Wheat sold below corn

ONE of the curious events of the year was the rise in price of corn above wheat for a time. As feeding of wheat to animals was stressed by prominent officials, however, the situation was reversed and corn, although a short crop, failed to meet anticipation of corn farmers who hoped to sell that grain at a profit.

Crops as a whole were reckoned as bringing about half the money they did in 1919. Some of the marked disparities in yields and values were in cotton which, on a decrease of 3.9 per cent in yield, fell 44 per cent in value; tobacco, which lost less than one per cent in yield but 23 per cent in value;

## Business Indicators

Latest Month of 1930 and the Same Month of 1929 and 1928  
Compared with the Same Month of 1927

	Latest Month Available	Same Month 1927=100%		
		1930	1929	1928
<i>Production and Mill Consumption</i>				
Pig Iron	December	62	105	125
Steel Ingots	December	61	91	127
Copper—Mine (U. S.)	November	78	112	125
Zinc—Primary	December	62	90	97
Coal—Bituminous	December*	96	117	112
Petroleum	December*	90	108	106
Electrical Energy	November	114	120	113
Cotton Consumption	November	71	89	98
Automobiles	December*	110	92	183
Rubber Tires	October	70	91	144
Cement—Portland	November	77	97	104
<i>Construction</i>				
Contracts Awarded—36 States—Dollar Values	December	52	68	93
Contracts Awarded—36 States—Square Feet	December	46	72	108
<i>Labor</i>				
Factory Employment (U. S.) F. R. B.	November	84	102	102
Factory Pay Roll (U. S.)—F. R. B.	November	76	104	103
Wages—Per Capita (N. Y.)	November	93	103	103
<i>Transportation</i>				
Freight Carloadings	December*	86	102	108
Gross Operating Revenues	November	79	99	106
Net Operating Income	November	74	100	131
<i>Trade—Domestic</i>				
Bank Debits—New York City	December	74	102	135
Bank Debits—Outside (X)	December	87	101	109
Business Failures—Number	December	117	94	90
Business Failures—Liabilities	December	163	132	80
Department Store Sales—F. R. B.*	November	89	100	99
Five and Ten Cent Store Sales—4 Chains	December	100	103	105
Mail Order House Sales—2 Houses	December	119	151	125
<i>Trade—Foreign</i>				
Exports	November	63	96	118
Imports	November	39	98	93
<i>Finance</i>				
Stock Prices—30 Industrials	December	86	124	141
Stock Prices—20 Railroads	December	70	105	105
Number of Shares Traded	December	97	143	159
Bond Prices—40 Bonds	December	95	95	97
Value of Bonds Sold	December	91	95	71
New Corporate Capital Issues—Domestic	December	17	34	116
Interest Rates—Commercial Paper, 4-6 Months	December	73	127	139
<i>Wholesale Prices</i>				
U. S. Bureau of Labor Statistics	November	83	98	100
Bradstreet's	December	70	86	96
Fisher's	December	83	97	101
<i>Retail Purchasing Power, July 1914=100%</i>				
Purchasing Power of the Retail Dollar		67	61	62
Purchasing Power of the Clothing Dollar		67	60	58
Purchasing Power of the Food Dollar		71	63	64
Purchasing Power of the Rent Dollar		66	63	63

X Excludes Boston, Cleveland, Chicago, Los Angeles, Philadelphia, Detroit, San Francisco, and New York.

\* Preliminary.



# Burroughs



*One of many styles designed for the automotive business. It designates the commodity sold, cash or charge, and provides separate totals of quantities and amounts.*

## *announces a complete line of* NEW CASH MACHINES

A distinct advance, applying new features and new principles to the registering and safeguarding of cash . . . Absolute protection together with greater speed and ease of operation . . . Made in a variety of styles and colors to meet the requirements of different types of business . . . Exceptionally low prices for all models . . . Concerns operating or controlling a group of outlets can effect substantial savings by standardizing on these new, sturdy, smart-appearing cash machines built and backed by Burroughs . . . Write for descriptions, prices and terms; or call the local Burroughs office. Burroughs Adding Machine Company, 6222 Second Blvd., Detroit



*One of many styles designed for stores where several items are purchased at one time, such as food stores and cafeterias.*



*One of many styles designed for stores where single item sales are the rule, such as drug stores, hardware stores, etc.*

**IMPORTANT ADVANTAGES**—Every sale printed and recorded . . . locked-in totals under owner's or manager's control . . . totals of quantities as well as amounts . . . separate totals of cash and charge sales . . . detail tape . . . enforced identification of clerks . . . validates paid outs or sales tickets . . . totals each customer's purchases, furnishes receipt . . . descriptive keys . . . easy key depressions . . . hand or electric models . . . requires minimum counter space . . . wide range of colors.

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potatoes, which gained less than one per cent in yield but lost 30 per cent in value; wheat, which gained five per cent in yield but lost 38 per cent in value, and corn, which lost 20 per cent in yield and 32 per cent in value. In addition, both cotton and wheat suffered from the pressure of record visible supplies through most of the year.

After 15 months of steady declines in prices of commodities, that situation holds public attention. Bradstreet's Price Index as of January 1, 1931 showed a decrease from December 1, 1930 of 3.3 per cent, a drop from January 1, 1930 of 18 per cent and from the high point of 1929 (on March 1) of 26 per cent. The decline from the peak point of February 1, 1920, nearly ten years ago, was more than 54 per cent, whereas the rise from August 1, 1914 was nine per cent. The January 1, 1931 Index was, in fact, the lowest since January 1, 1915.

Except for state and municipal bonds, which were actively sold to provide work on roads and other improvements and which sold four per cent in excess of 1929, most financial measures of movement declined in 1930. On the New York Stock Exchange stock sales fell

off 28 per cent and bond sales eight per cent. New corporate issues also fell 28 per cent, bank clearings 24 per cent and bank debits 28 per cent. Exports of merchandise fell 25.8 per cent and imports 30.2 per cent.

Fire losses were ten per cent larger, failures 22.8 per cent heavier and liabilities were over double those of 1929. Both failures and liabilities broke all records, mainly because bank suspensions numbered about 1,200, with liabilities of perhaps \$750,000,000. These bank suspensions represented five per cent of the total of 24,209 business failures and the bank liabilities 50 per cent of all business liabilities.

### Failures are 1.1 per cent

THIS total of failures constituted 1.1 per cent of all the credit subjects in business in the past year as against 89 hundredths of one per cent in 1929, 1.08 per cent in 1922; 1.07 per cent in 1907, 1.40 per cent in 1896 and 1.46 per cent in 1893.

Additional proof of 1930 being a year of strain, variously applied, and of embarrassment of otherwise solvent concerns, is had in the fact that the propor-

tions of assets to liabilities was 66.5 per cent in 1930 as against 55.9 per cent in 1929, 64.3 per cent in 1920 and 75 per cent in 1907.

Value of buildings for which permits were granted decreased 44 per cent, automobile production decreased 39 per cent, copper and zinc shipments fell 28 per cent, tire production and ingot-steel output 27 per cent, pig-iron production 24.6 per cent, lake freight traffic 21.2 per cent, rubber consumption 20 per cent, coke production 18 per cent, newsprint production 16.9 per cent, bituminous coal output 13.7 per cent, crude petroleum production 10.4 per cent and anthracite coal production four per cent.

Other industrial records showed wool consumption off 27 per cent, cotton consumption 24.5 per cent, cotton-cloth production 21.3 per cent, shoe production 14 per cent, confectionery sales 11 per cent, cigar production ten per cent and silk consumption 8.4 per cent.

Cement production fell only four per cent—road work was active—while cigarette production was a fifth of one per cent above 1929.

Earnings of public utilities increased in gross by 3.4 per cent and in net by 2.5 per cent.

## Amateurs in the Stock Market

**A** SHORT while ago a friend of mine wrote a book in which he tried to explain, psychologically, why men win or lose in the stock market. Since then he has been besieged with questions of all kinds.

By far the most frequent question is from men and women—especially women—who wish to know the details of how to take their small capital, usually about \$500, and have it give them an annual living.

### Content with small profits

ALL of these enquiring readers would be content to make only \$40 or \$50 a week out of it by taking quick profits on little, intermediate market moves in stock prices.

The shocking thing about these inquiries is the widespread, naïve belief that eight or ten per cent a week in the market, with small capital and no special training or experience, should be

fairly easy. No wonder 97 out of every 100 lose!

So many stories have been current during the past year about people who have lost life-long savings and inheritances that I am coming to accept the suggestion, first offered, I believe, by Bernard Shaw, for a reversal of the whole method of charging interest on money.

Not long ago, a charming woman came to me and said she had some money to invest and she wished I would take \$10,000 from her and use it to play the stock market. Her suggestion was that I pay her four per cent for the use of her money and we would divide the profits.

"But," I asked her, "what about losses? Suppose I lose?"

"Oh," she said, "all I want is my original capital and four per cent. If you don't make anything, I can't hold that against you."

"No," I told her, "I don't like the plan at all. If I take money from you

and guarantee to pay it back to you in a year, you will have to do something for me. You will have to pay me at least six per cent interest."

"Why," she gasped, "you surely wouldn't expect me to pay interest on my own money. Plenty of people would gladly pay me interest for its use."

"Well," I asked her, "how much interest did they pay you last year?"

### When interest is negative

"LAST year, of course, was different," she replied. "I had my money in a broker's hands and lost about \$9,000."

"Then," I pursued, "wouldn't it have been better for you to have paid somebody six per cent for keeping your money for you—just as you pay people who store your furs?"

A vast number of people, especially widows with legacies, could well afford to pay six per cent interest, just to make sure that their fortune wouldn't shrink more than that in a year.—F. C. K.



## The American Chicle Company *knows* *it can rely on these time-tested wrapping machines*

The machine wraps each stick of gum in foil, and bands it; then counts off five sticks and bands them, making the familiar 5¢ package. Only one operator is needed for each machine.



The American Chicle Company, like other pioneers in the package goods field, has used our machines since the very inception of machine-wrapping. As their production has speeded up and other wrapping problems developed, our equipment has kept pace with their requirements.

Factory superintendents say that Package Machinery Company machines are remarkable for their dependability, long life, economy of time and material . . . and the way in which they are designed to fill *exactly* the individual needs of the manufacturer.

Are you trying to secure faster production . . . lower costs . . . better wrapping methods? Consult us—*solving problems built our business.*

### PACKAGE MACHINERY COMPANY

Springfield, Massachusetts

New York Chicago Los Angeles  
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— 98% —

98% of the concerns in the  
chewing gum business use  
our wrapping machines.



# PACKAGE MACHINERY COMPANY

Over 150 Million Packages per day are wrapped on our Machines



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To estimate correctly where it stands today; to vision clearly the demands of tomorrow, and prepare for them—Business needs *now*, more than ever, definite and dependable Facts and Figures. On them, Management will determine its best and most economical use of working capital, will place responsibility for production and sales costs and inventories, and prevent wastes.

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## The Heritage of the Machine

(Continued from page 50)

chinery and the significance of the social, political and economic forces released by the machine.

This, too, is an astonishing theme. In a sense it may be said that it has taken the Industrial Revolution 150 years to cover the earth. In fact, it is only now penetrating certain distant countries, but the forces formerly felt in Great Britain and America are now being released among the dense populations of India and China, and the consequences inevitably are more or less similar. Asia has absorbed more than one billion dollars' worth of industrial machinery since the Armistice. Is it surprising that the old civilizations there feel the impact and that Gandhi through Swaraj seeks to oppose machine-made textiles? Yet, has Gandhi the strength to oppose the machine with its multipliers of 45,000 or 18,000, or what not, and if he realized all this, would he, in fact, really care to do so?

To what extent are the recent troubles in those countries an expression of the stresses set up in those ancient cultures through contact with the Occidental world—model 1930? And, yet, how can they escape with the steamship moving ever more frequently and more rapidly, the airplane, the dirigible, the radio, and, most of all, education?

### The machine in Latin America

SIMILARLY, Latin America has absorbed more than 750 million dollars' worth of industrial machinery since 1918 with different and yet perhaps similar consequences. As always, the machine raises the standard of living. Having less dense populations and the European type of culture, Latin America will find itself able to accommodate itself to the machine with greater readiness. Perhaps in its permanent form the New York Museum of Science and Industry will find a way to express and interpret all this.

The temporary exhibit seemed to have nothing to represent the sugar industry—one of the world's oldest industries, already traced back to the fifth century B. C. The Department of Labor reports that the man-hours that could refine 100 tons of sugar in 1914 could, by 1927, refine 133 tons. Of course, there is a difference between extracting and refining, but compare a modern central with the Filipino process. What is the



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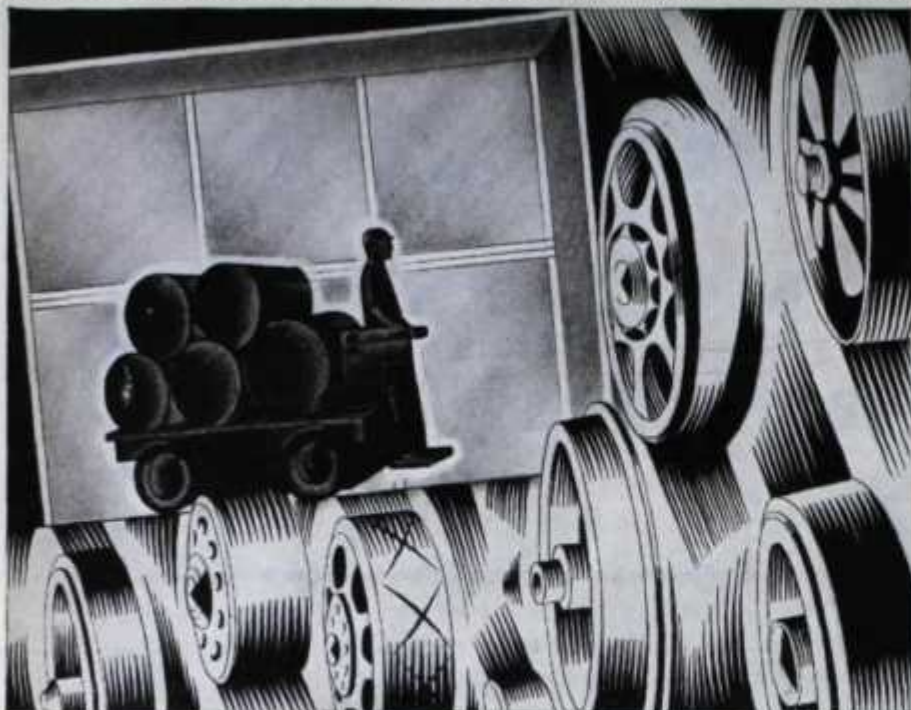
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multiplier? So it goes in countless industries where improvements are being made daily.

"More patents have been granted in the last ten years than in the one hundred years from President Washington's inauguration in 1789 until President Harrison's inauguration in 1889."

Mechanical progress accelerates—often unknown to the outside world—the business of an individual enterprise. We hear daily of cases where this, that, or the other operation has been improved, costs reduced, and probably take it all as a matter of course. But the integration of the consequences represents a complete change in the lives of all and the release of forces that change our living and thinking.

Some writers have tried to express one phase of this great theme by stating that the machinery employed in our country at present is equivalent to three billion slaves—30 slaves *per capita*. Some writers arrive at this by multiplying the horsepower employed by eight; the brute force equivalent of a man—a shockingly absurd understatement! For example, in the case of our spinning wheel, it takes about 15 horsepower to drive the spindles supervised by one girl, or, multiplying by eight, 120 mechanical slaves. But what of the remainder of these 45,000 Colonial dames? Machinery in industry represents far more than mere power. The designers have transferred to this dull metal some of their own intelligence and skill. In fact, machine production is frequently far superior in quality to anything that can be done by hand.

### How shall this be reckoned?

OR, again, it requires much less than one horsepower to flash a telegram from coast to coast. What is the slave equivalent of such speed? The slave equivalent of a Mallett locomotive, an airplane, the subway!

The Museum also tried to present the machine tool, that unique group of machines used in making other machines and in reproducing themselves, "The master tools of industry." The steam engine, the modern spindle, the automobile, the airplane, all of these and thousands of other things had to wait until equipment was available to make possible the accurate and repetitive processes needed in their production. How can the Museum portray the significance of mass production?

Out in Milwaukee is a factory designed to manufacture automobile chassis frames "untouched by human hands." This ideal was not quite



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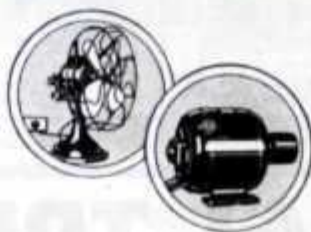
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1878



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reached, but 200 men using one of the largest machines ever built can produce 10,000 frames daily. By contrast, in Europe is another plant where 200 men in the chassis frame department produce 35 frames daily.

In Europe "mechanized coal mining" refers to those instances where the coal is cut by machine. Such practices are old with us, so in this country the same phrase refers to those cases where the coal is loaded underground by a machine. Probably in Asia the phrase would apply to mines where the product is no longer carried by men.

With us, mechanical loading underground started in 1918. By 1928, some 21,559,000 tons of coal were so loaded, by 1929 this had increased to 37,862,000 tons. Astonishing progress. What task is more undesirable deep underground, surrounded by gloom and slopping with wetness or stifled by dust, shoveling blackness into darkness? This is the job machinery now lifts from the backs of toiling humanity. We now have coal mined on mass production lines, untouched by human hands. Thus standards improve. Behind its grime and grease and clangor, the machine is the instrument of our emancipation.

### Those good old days

ALL those who sigh for the good old days remember that a century ago our fathers worked from daylight to dark and had little for it—poor food, scant clothing, leather breeches, crude shoes, little cotton, indifferent heat and transportation, little sanitation, and virtually no surgery or dentistry.

There are those who claim that the machine has destroyed our idealism and made of us worshippers at the shrine of materialism—a debatable point, for, on the other side, are those who contend that in recent decades we have learned to see more clearly, to think more accurately, and to recognize the falsity of some of the concepts of earlier years. Also there are those who claim to despise our culture which, true, has been besmirched by the grease of this mechanical cult.

Let such remember that the machine neither makes nor destroys culture. That depends on the taste of the individual himself, but the machine at least provides humanity with the leisure that can be devoted to cultural development if desired. Oh! for the Homer who will one day sing us the Iliad of the machine, who will one day make clear to us this great epic! Perhaps this New York Museum of Science and Industry will do so.



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"Now we have Acme. Seven girls do the work. And the work is done efficiently and profitably. I'm responsible for that. Yes, literally. For I not only caused Acme Visible Records to be installed—I actually did the installing. Supervised it, that is. It's really very simple to put Acme to work. With the aid of the Acme Man, any capable girl can make the installation in your business. You won't have to bother with it at all.

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"Yes, indeed. If your records aren't earning money for you... if they aren't showing a profit... my advice is, modernize them with Acme!"

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\* \* \* The girl is right. Send for our book "Business Success and Contributing Factors" and learn how right she is. It will tell specifically what Acme Visible Records can do in your department. And of course, a talk with an Acme Man will show you still more. The coupon will bring book, Acme Man, or both, with no obligation whatever. Mail it now.



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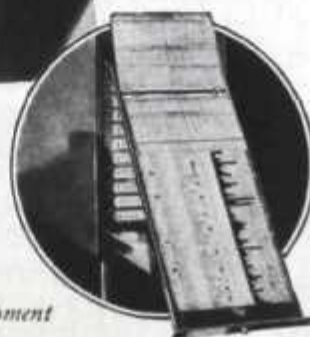
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## On the Business Bookshelf

THE cotton-textile industry has been ailing since 1923, we learn from Professor Murchison's book, "King Cotton Is Sick." The industry is composed of many small operatives. Their product is mostly sold on price. The name of the maker is unknown to the final consumer.

Professor Murchison believes the remedy lies in a "radical reorganization of the industry into vertical, integrated combinations. In other words, each unit of the industry, instead of being an enterprise with just one function, must be an enterprise which brings together all the processes—spinning, weaving, converting and selling—under a single unified control."

The separation of the various steps in the fabrication of cotton textiles, he continues, has made just that many points at which speculation or mistakes may enter the product. There should be co-ordination instead of conflict.

Professor Murchison states that this consolidation is now going on, but that it is proceeding slowly and not in the most logical manner.

THE majority of Americans know that the United States is recognized as the richest nation of all history, that it is making rapid strides in wealth and prosperity. But the basic causes of American prosperity and progress and the relation of the general economic status to the well-being of the masses of population are but vaguely known.

Mr. Durand has written an excellent book on his subject, "systematically treating income and standards of living, economic progress and population, natural resources, manufacturers, transportation, communication and trade."

A BRIEF glossary of terms and words in finance has been published as "The Investors' Glossary." The definitions, though terse, will, we believe, be sufficient for the ordinary investor. Some phrases, such as capital, par value, and stock are explained in more detail.

THE volume, "Foreign Trade: Principles and Practices," by Drs. Huebner and Kramer is by far the most comprehensive discussion of the subject that has come off the press in recent years.

While the preface would indicate that the book was written mainly with foreign-trade students in mind, a reading of the volume impresses one with the wealth of data included in the book for the guidance and information of exporters and importers generally.

The treatment of the subject is far from theoretical; the authors have had access to a wide range of information from business houses as well as to many recent publications based upon the practical experiences of foreign-trade houses and organizations.—E. L. B.

'King Cotton Is Sick, by Claudius T. Murchison. The University of North Carolina Press, Chapel Hill, N. C., \$2.00.

'American Industry and Commerce, by Edward Dana Durand. Ginn and Company, New York, \$4.00.

'The Investors' Glossary. The Venture Company, Montclair, N. J.

'Foreign Trade Principles and Practices, by Grover G. Huebner and Ronald L. Kramer, Wharton School of Finance and Commerce, University of Pennsylvania. D. Appleton and Company, New York. \$5.

### Recent Books Received

The Life Story of a Trust Man, by Gilbert Thomas Stephenson. F. S. Crofts & Co., New York, \$3.

The Shifting and Effects of the Federal Corporation Income Tax, volume II. National Industrial Conference Board, Inc., New York, \$3.

Economic Democracy, by Robert S. Brookings. The Macmillan Company, New York, \$1.50.

Management: The Secret of Increased Net Profits, by Herbert N. Casson. The Efficiency Magazine, Kent House, 87 Regent Street, London W-1, 5/-.

Banking Theory and Practice, by Luther Harr and W. Carlton Harris. McGraw-Hill Book Company, Inc., New York, \$4.

Toward Civilization, edited by Charles A. Beard. Longmans, Green and Co., New York, \$3.

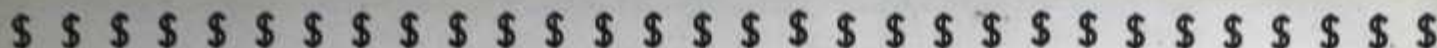
Trends in the Foreign Trade of the United States. National Industrial Conference Board, Inc., New York, \$3.50.

Managing a Sales Territory, by J. C. Aspley. The Dartnell Corporation, Chicago, \$1.25.

Railroad Valuation and Fair Return, by Shao-Tseng Wu. University of Pennsylvania Press, Philadelphia, \$3.

Wages in the United States, 1914-1929. National Industrial Conference Board, Inc., New York, \$2.50.





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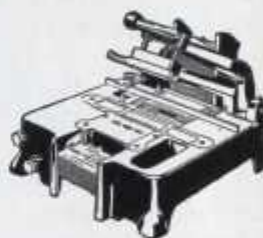
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# WHAT I'VE BEEN READING

By WILLIAM FEATHER

President, the William Feather Company, Cleveland, Printers and Publishers

**T**HE CURRENT volume of "Our Times" by Mark Sullivan is the third of a series and covers the United States for the pre-war period. Since the third volume is the first that I have read, I cannot compare it with the others, but I can say that Number 3 is a collection of fascinating historical data, splendidly presented.

Roosevelt's activity and personality bulk large in this era. He dominates the first half of the book, except for one digression in which the insurance scandals are discussed. We are told of Roosevelt's friendship for Taft, his ill-advised correspondence with Mrs. Storer, his reception of Booker T. Washington at the White House, his attack on nature fakers, his championship of simplified spelling, his battle for the railroad rate bill, and his selection of Taft as his successor to the Presidency.

Sullivan turns abruptly from Roosevelt to a brilliant and vivid narration of the conquest of the hookworm. This chapter is the finest in the book, and for skillful and dramatic treatment of a subject ordinarily regarded as dull it has few equals.

In the concluding paragraph, Sullivan expresses what was in my mind when I read of the work of Dr. Charles Wardell Stiles who discovered the "germ of laziness" in the South, who proclaimed his discovery and was a target of world-wide jest and ridicule, who was backed with Rockefeller money, and who treated and cured 7,000,000 people, freeing them from a disease that blighted their lives. Beside the spectacular exploits of the picturesque Roosevelt, this feat would be overlooked by an academic historian.

Much as Sullivan admired Roosevelt, it seems clear that he admires Doctor Stiles more.

The hookworm chapter is followed by a full hundred pages in which are re-



Sullivan holds that thoughts of a people are mirrored in their songs

viewed the pre-war popular songs. Probably nothing like it was ever before compiled for a serious history of a nation. The job here is thorough and complete. Hundreds of songs are noted and dated. Of many, both lyrics and scores are given.

Sullivan's notion is that the thoughts and morals of a people are reflected in their songs. Popular songs identify vogues, conditions, eras. For example, "double meaning" songs were rigidly excluded from public performances in ordinary theater and vaudeville houses until the 1900's. By 1907 we got "Be Good," with its words:

"Be good, very, very good . . . If you can't be good, be careful."

Then came "Mary Took the Calves to the Dairy Show" (1908), "This is No Place for a Minister's Son" (1909), and "If You Talk in Your Sleep, Don't Mention My Name" (1910).

The era when mothers and daughters left home to supplement the family income by working in factories and in office buildings was celebrated in "Everybody Works But Father" (1905).

In the early years of this century a

vast part of the population had only recently moved to the cities. Consequently "In the Good Old Summer Time" was a great favorite because "it evoked rural scenes and summer scents, half remembered or wholly dreamed, expressed the mood of 'spring fever,' suggested vacation, voiced the longing of dwellers in drear city canyons for the wide bright fields of country-bred childhood."

"In the Shade of the Old Apple Tree" (1905) fell in this group of songs.

"Tell Me, Pretty Maiden" (1901), "The Bird on Nellie's Hat" (1906), and "I Wonder Who's Kissing Her Now" (1909) heralded the beginning of the cynical period, a recognition that constancy was not universal.

Sullivan lists songs about negroes and foreigners, showing that they indicated the change which occurred in the social status of these groups during the first quarter of the century.

Among familiar titles were "Coon, Coon, Coon, I Wish My Color Would Fade" (1900), "You'll Get All That's Coming to You" (1898), "All Coons Look Alike to Me" (1896), "I Don't Know Where I'm Going But I'm On My Way" (1905), and "The Bee That Gets the Honey Doesn't Hang Around the Hive" (1906).

Songs celebrating various nationalities included "Wop, Wop, Wop" (1908), "My Mariutch" (1907), "Maxie, Don't Take a Taxie" (1910), "Ay Vant to Go Back to Sweden", (1904), "The River Shannon" (1911), "My Irish Molly O" (1906), and "It's a Long Way to Tipperary" (1912), composed in England and made popular by the war.

The last three chapters of the book present the highspots of 1906, 1907, and 1909, chronologically. From the point of view of human interest, the material is well selected and is illustrated with remarkable pictures. Throughout the book, the illustrations are a part of this history's charm. And don't miss the

<sup>1</sup>Our Times, volume 3, by Mark Sullivan. Charles Scribner's Sons, New York. \$5.



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footnotes. Some of the rarest bits are to be found in them.

"SICK in Bed with Common Stocks"<sup>1</sup> is the amusing title of a small book by R. W. McNeel, financial adviser. He presents an aspect of common stock ownership which is overlooked by most writers. Millions have been reminded by glib advocates of common stocks that any man who bought a diversified list of stocks 20 years ago and held them would now enjoy an enhancement of principal ranging from ten to 100 per cent.

"American common stocks will always show a profit if they are held as a long-time investment," is the saying. Statistical studies seem to prove the contention.

McNeel accepts the statistics, but denies that they tell the story. To merely point out that those buying common stocks for long-term investment would unquestionably be richer with the flight of time is comparable to directing a motorist to a certain city 500 miles away without telling him of the difficulties he must encounter. He may have to make his way through deep sand and mud. He may have a breakdown far from a service station. He may lose his way or skid into a ditch.

McNeel takes a widely advertised list of stocks which could be bought for \$10,012 in 1901. He then traces the ups and downs of this group to November 1929.

The panic of 1903 reduced the market value of the list to \$8,648, the boom in 1906 raised the value to \$16,930, the panic of 1907 cut the value to \$9,440, the good times in 1909 brought the price back to \$16,500, the collapse in 1914 closed the Stock Exchange, but by 1916 the owner's equity was \$18,484.

At this point the investor probably complimented himself for his sagacity and patience, and wondered why in the dark early days of the war and in the earlier panics, he had ever doubted the underlying strength and stability of this great country, or had ever questioned her ability to weather the greatest financial storms.

Then came our declaration of war and at the end of 1917 this group of stocks was worth only \$12,526. The owner was almost back where he started in 1901. Unexpectedly came the boom in 1919, and the value shot to \$21,330. But the post-war deflation of 1920 and

<sup>1</sup>Sick in Bed with Common Stocks, by R. W. McNeel. McNeel Institute of Investment Education, Inc., Boston. \$1.



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It will register any number of stations in sequence. On reaching 100, die changes can be effected to carry on to additional hundreds. Or it will register combinations of numerals or letters, or both, as desired. It is the only clock that registers numbers above "9" as complete numerals, a feature that saves considerable time when a number of clocks are to be checked.

Unlimited in capacity, interchangeable to the fullest degree, a maker of records that are unalterable, it offers decided advantages in the plant where a number of watchmen are employed. It offers decided advantages to any plant interested in the fullness and completeness of the record of safeguard of the plant—the most important activity in a plant during the hours it is closed.

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1921 dropped the value of the list to \$15,000.

The Coolidge boom restored the investor's confidence. Imagine how he felt when he calculated the market value of his holdings in 1929 and wrote down \$33,000. Here he was, more than three times as wealthy as if he had been content to put his \$10,000 to sleep in bonds. Then came the collapse in the fall of 1929 and his investment fell in market value to \$18,419.

As this is written, the value would be even less.

McNeel believes in common stocks, but he warns that to carry out the policy of long-time ownership requires more than money and more than choice of good stocks. It requires patience, courage, confidence, and ability to absorb great mental shocks without allowing them to warp one's judgment.

How few have the temperament for such an experience!

"UNIVERSITIES" by Abraham Flexner is a violent criticism of American universities and colleges. The survey includes brief reviews of English and German universities, but the value of the book lies in what it says about our own schools.

Before a man writes a book he ought to have something to say. Dr. Flexner has plenty to say about American schools, and he says it effectively and picturesquely. Because it is so provocative, this is the best book on education that I have read in years.

What about the education of your son, or your daughter? Do you think it is better that they study something practical like domestic science or journalism instead of "wasting" their time with Latin and trigonometry? Do you think your son's time in college would be better employed in learning double-entry bookkeeping than in mastering Roman history?

Dr. Flexner will give you an argument. He says our colleges and universities have made themselves ridiculous with their vocational training courses. Such training is all right in some kind of school but it doesn't belong in a college or a university that pretends to hold ideals of scholarship and culture.

He scoffs at the notion that a graduate of a school of journalism, for example, will be better equipped for newspaper work than a young man who has been educated in the classical groove and has never been compelled to learn anything

useful or practical. The young man who attacks his life's work with a really educated mind knows how to think. He knows how to do what he never tried to do before.

Whether he goes into banking, manufacturing, journalism, or hotel management, he brings to his task a mind that can comprehend and analyze new problems. He can learn the tricks of any trade in comparatively short time. Whether he advances in his work will depend on the quality of his thinking apparatus.

By offering courses in domestic science, physical culture, insurance, advertising, business administration, and hotel keeping, and conferring degrees on those who specialize in such studies, the colleges are making a mockery of their real function.

That function, in Dr. Flexner's opinion, is: the conservation of knowledge and ideas; the interpretation of knowledge and ideas; the search for truth; the training of students who will practice and "carry on." Other educational enterprises have other functions. Salesmen and advertising experts require training but the college and the university are not the proper places for the study of such subjects.

Most of the leading educational institutions are included in Dr. Flexner's criticism. Among them are Columbia, Chicago, Harvard, Yale, Wisconsin, Johns Hopkins, Dartmouth, Stanford, and Vassar. Columbia and Chicago are the target of merciless hammering. Newspaper advertisements, announcing home study courses offered by these universities, are reprinted, and copies of their high-pressure follow-ups are reproduced.

The so-called research conducted by professors and graduate students irritates and amuses Dr. Flexner. His citations from a few of the books and monographs that pour from the presses afford gleeful reading. In a footnote, he explains:

"It would be obviously unfair to call attention to the absurdities I have mentioned but for the fact that they are so numerous as to be representative of a large part of the literature of sociology and education—so large as to imperil the development of a scientific spirit in either field. Nonsense is also published in other fields—even in the so-called 'exact sciences'; but it carries no weight and soon disappears. Its authors do not usually become professors in leading universities."

Dr. Flexner hopes that one of the great universities will have the courage

"Universities by Abraham Flexner. Oxford University Press, New York. \$3.50.



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## IN NAME AND IN FACT



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to clean house and return to first principles. One outstanding example of leadership will supply courage to others. He asks us to remember that Germany long ago learned that industry needs universities, not merely because the universities train chemists and physicists for the research laboratories, but because universities train intelligence, capable of being applied in any field whatsoever. That lesson, he says, the American university has yet to master.

"Does anyone," he asks, "really suppose that Yale and Princeton, having no schools of business, will for that reason in future be less conspicuous in business and banking than Harvard and Columbia which have? Or that Harvard, having no school of journalism, will in coming years furnish fewer editors, reviewers, and reporters than Columbia, which has?

"Will the significant contributions to economics come from business schools rather than faculties of economics? Will critical and fundamental thinking come from researchers who live on annual contributions that come from and are managed by 'business leaders'?

"These questions answer themselves; they dispose of the present schools of journalism and business as genuine university enterprises."

To all who are interested in the drift of education, this book is strongly recommended.

I AM prompted to mention "Laments for the Living" by Dorothy Parker because it offers me an opportunity to comment on the art of writing. Dorothy Parker writes to convey thought. She is the type of modernist that every ambitious writer should study.

She puts no strain on the reader. One is never tempted to skip a word. Her stories are well thought out, and are told with the utmost simplicity. Her characters are real.

Thirteen stories and sketches are included in this collection. Most of them deal with people who are making a sad mess of their lives, but who are self-reliant and more inclined to laugh than to weep.

The most notable story is "Big Blonde" which won a Pulitzer prize. "Mr. Durant" is a splendid example of devastating satire.

Probably no other woman writer has ever mastered irony as well as Dorothy Parker. She perceives and mercilessly exposes the tricks and follies and stupidities of both sexes.

"Laments for the Living" by Dorothy Parker. The Viking Press, New York. \$2.50.





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(Division of Illinois Tool Works)  
2537 North Keeler Avenue  
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"It's the Twisted Teeth that Lock"

## New Buildings Arrayed in Shining Armor

(Continued from page 28)

legheeny Metal with a somewhat different heat treatment, is an alloy composed of 17 to 20 per cent chromium and seven to ten per cent nickel, with carbon less than .20 per cent. The usual composition is 18 per cent chromium and eight per cent nickel. This metal is far superior to its predecessors. It does not corrode or tarnish under any atmospheric conditions.

Innumerable industrial uses were at once opened to such a material. Its widest use even today is probably in the oil industry which meets corrosion in its most violent form and where this metal has saved enormous sums. Next come the food industries which use it in the construction of tanks and machinery for the treatment and manufacture of countless products. Recently the automobile industry has turned to this metal for radiator shells, lamps, running-boards, hub caps, instrument boards. The paper industry and the various chemical industries are also large users.

In the industrial fields the competition between noncorroding metals is now keen and has reached a price basis, cost of replacement being balanced against cost of installing the more expensive metals. The wide variety of industrial conditions with respect to temperature, acidity or alkalinity, presence of sulphur or oxygen, calls for a wide variety of special metals. Besides the steels mentioned, the manufacturer has available pure aluminum, aluminum-silicon alloys, nickel, nickel alloys such as Monel Metal, and special iron alloys such as Duriron.

### A building of mirrors

MORE impressive are the recent developments in architecture. A number of recent office buildings have used this polished mirror-like metal for interior decorations. The Chrysler Building is not unusual in this respect excepting for the ambitious and striking ornamental effects obtained in the doorways and the lobby. The new Board of Trade Building in Chicago has used nickel alloys. Characteristic of the new era is the office of R. R. McCormick in the Daily News Building in Chicago where the doors, casings, picture moulding, radiator enclosures, lighting fixtures, tables, desks and chairs are all made of this new steel in a modernistic design.

Similar effects have been obtained

by the use of aluminum. Furniture of this metal has become common and the New York office of the Aluminum Company of America has doors, casings, radiator enclosures, lighting fixtures and furniture made entirely of this metal. The St. Louis Civil Court House has a flat batten seam roof and gutters made of aluminum and is surmounted by two sand cast aluminum sphinxes weighing approximately 5,000 pounds each. A similar use of aluminum is found on the new Board of Trade Building in Chicago which has a 31 foot aluminum statue of Ceres surmounting the smoke jacket. Including the roof, sliding sashes, gutters, and down spouts, this building uses a total of 11,500 pounds of aluminum.

### Metal saves space

BUT noncorrosion is not the only reason for the use of metal in architecture. One of the major factors is the economy of space and of labor in construction.

In the Empire State Building, for instance, there is only one cubic foot of stone to each 200 cubic feet of building volume while the average similar structure has a cubic foot of stone for only 45 or 50 feet. At the present prices of ground area in skyscraper districts this additional space is a clear gain. When the inexpensive fabrication of the metal and its simple mounting on the structural skeleton is included, the saving even in the time needed for erecting the building is enormous. This item is of great importance on an expensive site such as that of the Empire State Building and was fully appreciated by the architects, Shreve, Lamb and Harmon.

It is to be expected that although this steel will not corrode, it cannot remain permanently bright and shiny in the heavy atmosphere of dust and soot in our large cities. The advantage of these metals is, however, that mere scouring, such as a window receives, is ample to restore the original brightness. Indeed, the rain is an effective cleaner. How long it will be before scouring is needed is still an open question. Close examination of the Chrysler dome reveals a distinct opaque layer but this has had little effect on the appearance of the building from the street.

Aluminum also has long been used for industrial equipment and in the various branches of transportation be-



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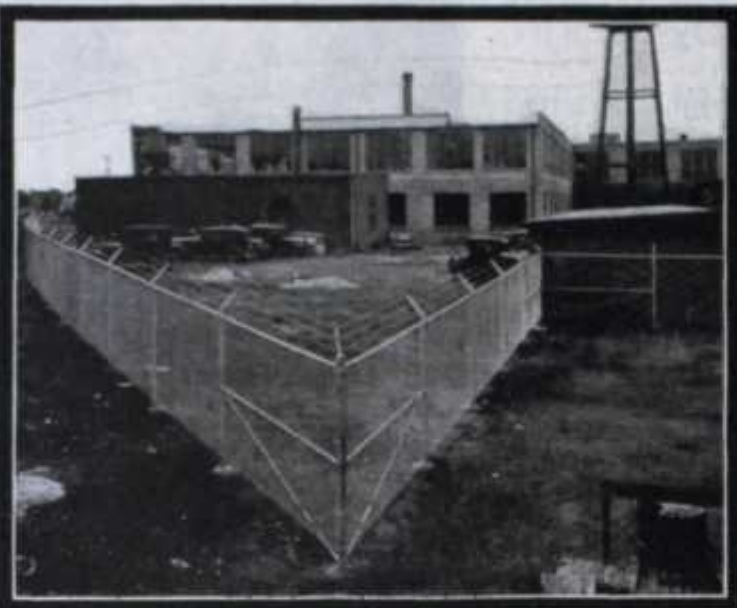
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# Your Property or Your Neighbor's?



Occasionally a small corner of your property may be forgotten through disuse. Being convenient and accessible to your neighbor, he inadvertently encroaches, and the property becomes his "by courtesy."

Enclose every foot of your ground in fence and avoid these embarrassing situations. Follow the property line. A fence will turn many a wasted corner into useful space.

Don't waste money on cheap, poorly-designed fences . . . Pittsburgh Chain-Link Fence will repay your investment through many years of satisfactory service with a minimum of maintenance. Made of copper-bearing steel throughout and heavily zinc-coated *after weaving*, it is doubly protected against rust . . . Framework is genuine Pittsburgh Seamless Steel Pipe of standard pipe weight, giving extra strength and durability to the erected fence.

## Pittsburgh Fence CHAIN-LINK TYPE

Pittsburgh Steel Co.

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cause of its light weight, its easy fabrication and its freedom from corrosion. At present only three per cent of the aluminum produced annually finds its way into architectural uses but this proportion is growing rapidly. The metal is generally used in some alloy form. Most ornamental castings are made from an alloy containing silicon.

Window glass at a distance is similar in color to deplated aluminum, and the use of deplated spandrels on the Empire State Building is one of this metal's striking successes. On the lower floors the windows and ornamental spandrels are easily distinguished but higher up it is impossible to tell a window from a spandrel. The building appears to be a tall, white cliff with vertical gray lines.

These new trends in architecture promise a new tradition which may be as effective in transforming our cities as the development of structural steel. In our office buildings and factories American architects have led the world because they have been quick to take advantage of every new development in research and engineering. When the office worker goes home, however, he lives in an environment which cannot be accused of modernism. He wants the old-fashioned. He is comfortable when reminded of his childhood and so we still have sharply sloped roofs shingled, or, at best, tiled. The steep roof was designed generations ago to shed snow because wood beams were not strong enough to carry the weight of a heavy winter blanket. That day is past. The flat roof has plenty of strength, is much cheaper to erect and economizes space. With the problem of corrosion solved we may look forward to an increased use of steel, aluminum, and other metals even in domestic construction.

### Research makes change

ONE never can tell how far these new ideas will go. As C. F. Kettering has said, the real job of the research man is to keep the public reasonably unhappy. It is this healthy unhappiness which makes the modern world what it is—active, ever-changing, inspiring.

One day a chemist perfects a thermometer cover; swiftly it reaches the stars on an incredible tower; and in the days that are to come it may transform our cities. Certainly a steel that does not rust will once again belie the fearsome prophets who have predicted that all our iron ores will be used up in a century. No one can look into the future except through the windows of the research laboratories.

New York  
Chicago  
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on the engine  
before departure.*



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# 22 PLACES in

## where the Remington Accounting

Check this list against your accounting department procedure

### ACCOUNTS PAYABLE

- ★ { Purchase Journal & Distribution
- ★ { Accounts Payable Ledger
- ★ { Remittance Advice

- ★ { Check
- ★ { Check Register

- ★ { Voucher
- ★ { Voucher Register and Distribution

- ★ { Voucher Check
- ★ { Check Register and Distribution

### ACCOUNTS RECEIVABLE

- ★ { Sales Journal & Distribution
- ★ { Customer's Ledger
- ★ { Customer's Statement

### ACCOUNTS PAYABLE-RETAIL

- ★ { Purchase Journal
- ★ { Department Purchase Register
- ★ { Remittance Advice or Voucher

### PAYROLL

- ★ { Check
- ★ { Employee's Wage Record
- ★ { Payroll

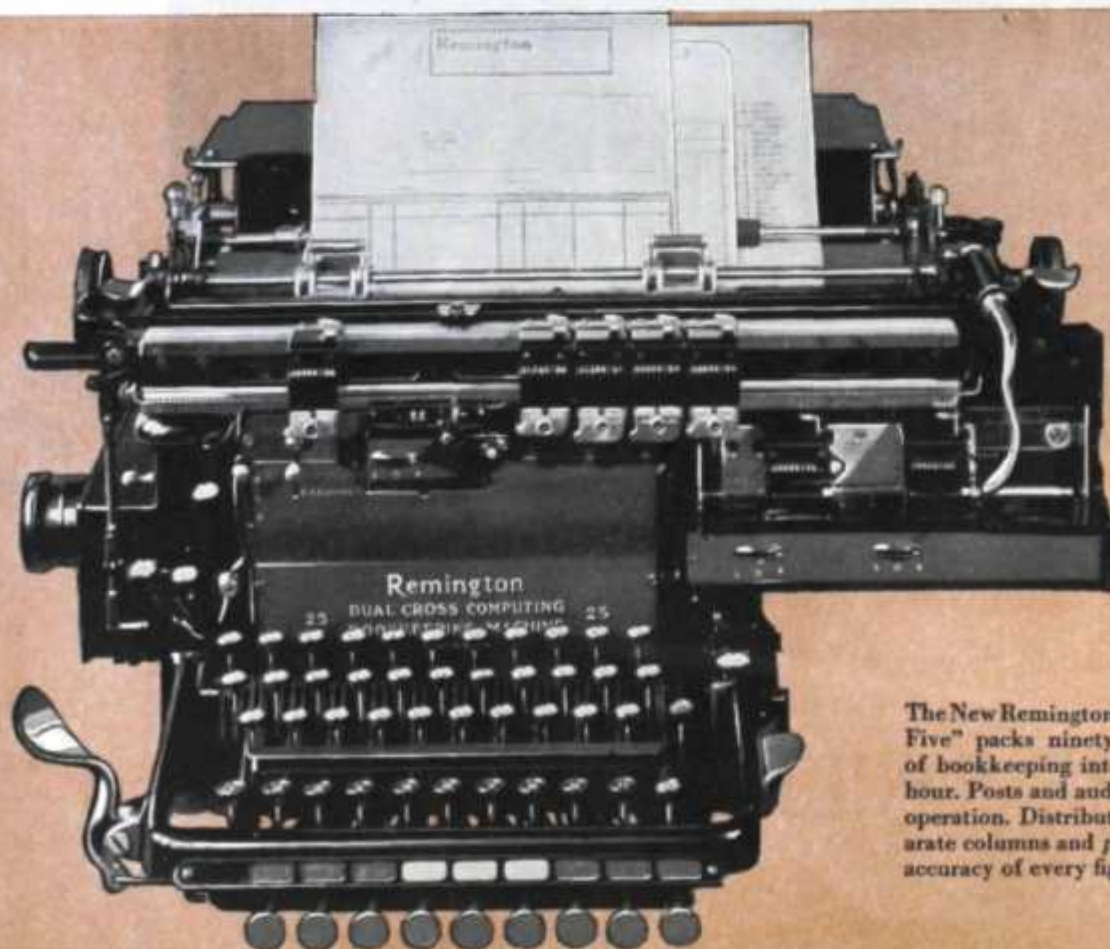
### EXPENSE

- ★ { Expense Journal
- ★ { Expense Register

### GENERAL BOOKS

- ★ { General Ledger
- ★ { General Journal

★ EACH GROUP HANDLED IN ONE OPERATION ON THE REMINGTON



The New Remington "Twenty-Five" packs ninety minutes of bookkeeping into a single hour. Posts and audits at one operation. Distributes to separate columns and proves the accuracy of every figure.



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In hundreds of cases...in small companies and in mammoth corporations...a Remington machine has said "yes". And proved it.



With the Remington Fanfold in your billing department, you can get a 25% to 50% time saving...through elimination of carbon handling, and key-shifting and tabulating operations. Adaptable to standard accounting machines and typewriters.

Frequently, it is installed to do the work previously handled by three other machines...with an immediate saving in floor space, rent, payroll.

It eliminates costly errors. Speeds accounting and collections. And instead of you adapting your methods to fit...it adapts itself to fit them.

Read the list of Remington-speeded operations on opposite page. Then, briefly indicate on coupon below, the department or problem in which you are most interested. It will bring you practical money-saving suggestions...without obligation!

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In the following department (or problem) show me how Remington Accounting Machines could save money:—

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BAKER-VAWTER Loose-Leaf Equipment . . . SAFE-CABINET Record Protection Devices . . . POWERS Accounting Machines

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Visible Records  
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time and money



**H**ERE is a modern business office. There are nine places in plain sight where National Visible Records in binder form have been put to work to save the firm's time and money.

The Sales Manager (X1) uses a visible customer record that brings 10,000 dealers within arm's reach of his chair. The Office Manager (X2) keeps every detail of personnel records instantly available in visible form. The Shop (X3) keeps its stores-and-supply record in visible binders for accurate control. The Credit Manager (X4) has complete credit and collection information at his finger-tips in a visible binder system. The Plant Manager (X5) uses a visible binder production schedule which tells him instantly the status of any order in work. The Service Manager (X6) keeps his traffic routing and other data instantly accessible in visible form. The Purchasing Agent (X7) uses a visible vendor-record that gives him instantly every fact regarding price, delivery and service on every previous order. The Telephone Operator (X8) keeps an up-to-date list of numbers frequently called, in a special National

visible binder. And the Shipping Department (X9) maintains accurate control of every outgoing order, with a complete National visible installation.

National Visible Binders are unique because: (1) The back is flat; it expands at the touch of a thumb-lever for ease in posting. (2) When open for writing, the broad, flat surface of the back holds the book steady and prevents rocking. (3) Flat back construction avoids any hump to interfere with the arm in posting. (4) The posts are straight, polished and frictionless; this allows sheets to be turned at the flick of a wrist, as in a book.

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## Chicago Teaches a Tax Lesson

(Continued from page 32)

system. The professional politician accepts it as it is. He believes in "getting his while the getting is good." So long as the apathetic, or, perhaps, selfish citizen permits the "getting" to be "good," the politician will "get his."

These are strenuous days. Vast fortunes represented by paper profits in stocks have dwindled or disappeared

### The question of public works

PRESIDENT HOOVER, in the interest of the unemployed, has advocated the construction of public works. Dr. Julius Klein, assistant secretary of commerce, in a recent radio address, stated that for the first six months of last year \$1,100,000,000 had been spent in public works and public utilities, a gain of more than 400 million dollars over the first six months of 1929.

The construction of public works to help the unemployed is commendable. On the other hand, the officials of every municipality, before authorizing a public improvement, must consider the condition of the taxpayer and decide whether the additional burden in taxes may not be more than the taxpayer can bear.

The chief justification for adding to the expense of government at this time must be the expectation that it will yield an adequate return in a necessary and desirable service.

### Economy in taxes

NOW is the time for every municipality to get its house in order by consolidating its tax consuming units, by putting its taxing machinery on a scientific, nonpolitical basis, by carefully preparing and observing its budget, by incurring no obligations that are unnecessary, and by inaugurating the most rigid economy.

The problems of municipal finance in the future are real, not academic. Their solution cannot be left to the politician, the reformer or the theorist. They demand the best constructive thought of experienced business leaders and wise financiers.

Imposed on them is the task, if not the responsibility, of taking an active and vigorous part in the governmental affairs of their cities. Someone must do it. Who is more interested? Who is better qualified?



# CHECK UP ON YOUR PROGRESS AND PROSPECTS

STUDY your condition in the light of Piedmont Carolinas opportunities; your conclusions may show you why new industries locate here so steadily, and why so many of them prosper after being established here.



**LABOR**—Piedmont Carolinas labor supplies are drawn from a farming population three times as large as the industrially employed. There is a generation of proved craftsmanship and ability behind those now working in factories.



**RAW MATERIAL**—At present the chief source of supply for many manufacturers in many lines, Piedmont Carolinas offers well developed reserves of mineral, forest and agricultural raw materials in apparently inexhaustible amounts.



**POWER**—Based on nearness to the area of heaviest rainfall east of the extreme northerly portion of the Pacific coast, Piedmont Carolinas enjoys an abundance of present and potential hydro-electric power.



**MARKETS**—Within economical reach (600 miles) of over 66% of the nation's total purchasing power, and with local consumption supplied in only three divisions of industry, Piedmont Carolinas offers a 50% greater market availability than do the chief Atlantic seaport cities.



**CLIMATE**—Piedmont Carolinas is situated on a high plateau and enjoys an invigorating, highland climate. No warmer in summer than the oldest, most highly industrialized centers of the country, it has the marked advantage of 10 to 15% less humidity. Its winters are mild and temperate.

**LIVING CONDITIONS**—Schools and roads of this section are famous through-

out the country. The cities are all under the 100,000 mark, pleasantly built up and uncongested. The larger manufacturing plants are usually located outside the corporate limits of the towns. Their life and activities are chiefly devoted to their own churches, schools, stores and community centers.

The untouched grandeurs of the Carolina mountains, with resorts conveniently attainable over splendid concrete roads, are only an hour or two away. Coastal resorts are only a little farther, easily reachable in a morning's drive. World famous mid-winter golf resorts line the eastern boundary of the section.

People everywhere are neighborly, well disposed toward newcomers, and embody a broad-minded, cultured point of view that has dotted the countryside with colleges, both for men and for women, that are recognized in educational circles as of first rank.

**YOU WILL ENJOY LIFE** in Piedmont Carolinas. Your business, if it can utilize the advantages of the section, will prosper here. Send for the book **PIEDMONT CAROLINAS, WHERE WEALTH AWAITS YOU**. It contains definite, concrete facts you will want preliminary to a more comprehensive report. Sent on request to business executives. Address, please, Industrial Dept., Room 111, Power Bldg., Charlotte, N. C. Your letter will receive prompt and courteous attention.



DUKE POWER COMPANY

SOUTHERN PUBLIC UTILITIES CO. AND OTHER ALLIED INTERESTS

# PIEDMONT INDUSTRY CAROLINAS

When writing to DUKE POWER COMPANY please mention Nation's Business



JOHN HANCOCK SERIES

## What are You doing about Group Insurance?

**T**ODAY more than 6 Million lives are protected by approximately 9 Billion dollars in Group Insurance, the greater part of which is based on the co-operative effort and cost-sharing of employers and employees.

This is real co-operation in a practical way. Employers of industry who are interested in this subject will want to read our booklet, "Management, Men and Motives." May we send you a copy?

*John Hancock*  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

N. B. Over Sixty-seven Years in Business

## Here's Real Filing Insurance!

In your business you insure everything of material value. Then why not insure the history of your business—your records and correspondence, against misfiling and loss?

Acco Fasteners, Acco Folders and Acco Punches give you this important protection—give you bound papers that are safe papers!

The Acco Folder, of durable pressboard, has a cloth expansion for 1' and 2' volume of papers and lasts the lifetime of a steel cabinet. It contains the well known Acco Fastener, consisting of two prongs on a broad, flat base against which papers are tightly and safely held by a wide compressor strip—the proper way of binding.

The easy, clean cutting Acco Punch, punches two holes in your papers, to accommodate the Fastener prongs, and it never breaks, rusts nor needs servicing of any sort.



Send for free sample Acco Fastener and literature on Acco Folders and Punches.

ACCO PRODUCTS, Inc., American Clip Co.  
20th Avenue and 24th Street Long Island City, N. Y.  
Acco Canadian Co., Ltd., Toronto

## Teamwork Can Help Farm Credit

(Continued from page 38)

insuring the farmer a more regular supply of credit. This was one of the purposes of the intermediate credit banks which, from the standpoint of total volume of discounts, are as yet a minor source of production credit.

The original discounts of the intermediate credit banks in 1928 were, in round figures, only \$28,083,000 through agricultural credit corporations, of which only 155 were active at the close of the year; \$25,567,000 through livestock loan associations, numbering 63, and \$759,000 through banks—a total of \$54,409,000. In addition, renewal discounts amounted to \$29,159,000.

But total discounts alone are not an adequate standard for measuring the benefits of these banks. They are undoubtedly a stabilizing influence, especially in communities where credit corporations and loan associations are functioning to connect the individual producer with the intermediate credit system, and through it with that vast source of credit represented by the investing public.

It may be possible to minimize or to overcome the handicaps the farmer faces because he is a small borrower. One possibility—large-scale farming—may not materialize. It depends on economic forces, the fundamental trend of which it would be unwise to predict. The other possibility—cooperative credit—lies in the hands of the farmers themselves.

### Cooperation will help credit

CREDIT corporations organized under state law afford an opportunity for farmers to get loans from the intermediate credit banks. Several of the cooperative marketing associations in the cotton states are operating subsidiary credit corporations to provide production loans for their members.

The idea is gaining ground rapidly that farmers must cooperate to overcome an inherent weakness in their individual businesses in marketing. The sooner this idea ripens into sound action in some form of cooperative credit, the better.

In the meantime, the farmer should develop a favorable connection with the nearest good bank. Despite the faults which local banking has exhibited in the past, especially in the inflation period that ended in 1920 and in the deflation

that followed, the local banker is on the whole the farmer's best financial adviser.

### Local banks have advantage

UNDER any system for making small farm loans, the credit institutions—whether big or little, cooperative or private, branch banking or individual banks—must have local contacts that know the individual borrowers and their business more intimately than the big bank executive in a far-off place could ever know them. The local banker is so far ahead of others in this intimate contact with the small borrower that it may be doubted that any other type of functionary will catch up with him. If the local banker is a wise man he can base small loans on a proper blend of moral and material security.

Any effort to improve the farmer's production credit by strengthening the institutions that serve him must first of all consider local banks, his principal source of short-term loans. Progress is being made toward better local banking.

Finally, mutual understanding helps both borrower and lender. The banker can cultivate it by expert knowledge of farming and by sympathetic interest in the farmer's problems. The farmer can cultivate it by realizing that for the most part the banker lends other people's money, and by practicing that essential to good business management and credit standing—promptness.


As farmers thus improve their credit management and credit standing, and as public opinion demands safer banking policy, local banks and supplementary agencies surely will be adapted to serve better the needs of agriculture.

### Believer in Honesty

**S**AMUEL APPLETON, Boston's merchant prince during the middle of the nineteenth century, was famous all over New England for his idealism and his integrity in the matter of business dealings.

"Men mean to be honest," he said shortly before he died. "I have never in my life met with more than three or four cases in which I thought a man intended to be dishonest in dealing with me."—J. H.





## Take the yoke off America's neck!

The fierce scream of the fire siren shows that the yoke is working . . . and the "yoke" is on you . . . and on every other man, woman and child in America. It costs the Nation half a billion dollars a year to carry this burden imposed by fire losses.

Is your city equipped with modern apparatus to cut down your share of this loss? You need modern apparatus, for apparatus of long ago is no better adapted for 1931 conditions than the old-time one-lunger.

Only a few thousand dollars would re-equip the average community with modern 1931 American-LaFrance fire apparatus . . . that starts and stops like greased lightning and darts in and out of traffic like small cars . . . that gets water or chemical on the fire almost the instant it arrives at the scene.

See your fire chief about this. He'll tell you how much more effectively his department could cope with fire if your community gave him 1931 LaFrance equipment.



For 86 years American-LaFrance has held undisputed leadership . . . the majority of American communities are LaFrance equipped.

LaFrance 1931 apparatus embodies sweeping advances . . . years ahead of their time. It minimizes the gamble with fire.

Every citizen should know about LaFrance modern fire-fighting. Ask us to send some highly interesting, informative publications . . . free, of course.

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AND  
FOAMITE CORPORATION  
DEPT. D74 ELMIRA, N. Y.

### LA FRANCE AND FOAMITE PROTECTION

AN ENGINEERING SERVICE

### AGAINST FIRE





# The Majority Is Always Wrong in the Market

(Continued from page 22)

The next morning, when I arrived at the office, the boss, looking rather sheepish, showed me a letter from the head of the firm in Chicago that controlled the wires. It said that for any employee to take note of business passing over the wires and use such information was against rules and that the cotton operations they had discussed must be discontinued.

"You can't stuff cotton in your ears," the boss remarked to me, trying to make light of the whole situation. "The letter doesn't mean a thing—just a gesture. Forget it."

"No, the letter doesn't mean anything," I agreed; "but when they take the wire out, that *will* mean something."

He pooh-poohed my fears. But the next Monday morning, when I reached the office, the wire was gone. We got word from Chicago that we were to have a "much better wire"—but the one we got did not carry the cotton transactions.

I immediately telephoned to Kimbrough and told him that I could not help him on any more cotton deals.

He closed out his account. But in a day or two, he came in to ask me if there wasn't some way we could operate again. He offered me whatever I might ask, as my share.

"Well, if you want to buy me a membership on the New York Cotton Exchange," I suggested, "then maybe we could do something."

"Sure, I'll buy you a membership," said Kimbrough. "Go ahead with the arrangements."

I immediately telephoned a member of the firm in New York that had been executing most of the cotton orders and inquired about a membership on the Cotton Exchange, and also about which wire I might use. He told me there would be no difficulty about the membership but he wasn't sure which wire would be available.

Later that day, he called up to tell me that he couldn't get the wire I wanted, but would get "a better one." I knew that the "better one" wouldn't be so good, and abandoned the idea of an Exchange seat.

## A job in Memphis

MY next move was to apply for a job as telegraph operator in the Memphis office of the firm that controlled the whole wire system. The chief operator said he needed a good man and would be glad to have me. I immediately resigned and told my wife we were going to move to Memphis.

A day or two before I was to start for Memphis, just as we were nailing up the crates of our household belongings, I got a wire from the chief operator there that I was not to come. He said he expected to be up in our town within a week and would explain. When he arrived,

he told me that the head of the firm in Chicago—the same man to whom my boss had spilled the beans—had rushed orders that, under no circumstances, should I have the job.

After I quit trading for Kimbrough, he could not bring himself to accept the situation. He seemed to feel that his good fortune was due to some inherent lucky quality in himself. He came bursting into the office one day and said that he had a flawless inside tip to buy cotton.

## A tip that proved a loss

HE REOPENED his account, giving us \$40,000 margin, and bought 15,000 bales of cotton. The next morning, prices went down so sharply that he lost \$130,000! We telephoned to him for more margin, and he came in with every cent he had, a total, counting his \$40,000 margin, of about \$100,000. But he still owed us \$30,000—and he didn't have it!

My boss came running to me exclaiming:

"See what you've done! I knew all along that no good would come of all this."

I bade him calm himself and I would see that our office didn't lose a cent.

That night I had a secret conference with Kimbrough and told him he must go to his father and somehow raise the \$30,000 needed.

He was greatly distressed.

I told him that my own job was at stake and I had a family to support. If he couldn't make a clean breast to his father, then I would have to tell his father myself. There might be a lawsuit with a lot of unpleasant notoriety.

Kimbrough finally agreed to go to his father; and the elder Kimbrough gave us the money.

The young man must have put in many remorseful days thinking of what might have been. But it was probably a valuable lesson to him. For that matter it was of immense value to me for from that day to this I have never speculated except when certain that I was behaving exactly contrary to the majority of other speculators. I am now manager of a big brokerage office and I never buy stocks when our loose-leaf margin books are thick—when the public is head over heels in the market. I have made a little money only by buying when the public is thoroughly discouraged and margin trading is down to the minimum. My experience has convinced me that the public is always overwhelmingly wrong.



I wondered what happened when father came home and announced that the family savings were gone





**ACTION**—From the moment the executive seats himself, the day moves like a dynamo. The telephone rings, he swings over to answer it. An elusive letter falls to the floor. He tilts over to retrieve it. As he dictates he pounds the chair for emphasis, rocks back and forth, slides his chair to reach a file box. And so goes the day full of vigorous movement, high-pressure activity—high-strung nervous energy.



The office chair catches every nerve-quiver, every shock and thump. Chairs have to be built like gymnasium equipment to stand the strain, yet they must be light to respond to every motion—that, of course, means the light, strong Chairs of Alcoa Aluminum.

The frames of Alcoa Aluminum Chairs are welded into one continuous piece. There are no glued joints, no dowels to work loose. These Chairs of Alcoa Aluminum are so light they move at your slightest touch. But they are more than feather-light—they are strong, made of the same strong alloys of

Alcoa Aluminum that are used for building railroad coaches, airplanes and dirigibles.

Up and Down  
Back and Forth  
Rock and Teeter  
these chair frames  
never weaken

In design Alcoa Aluminum Chairs match the ultra-modern trends in office equipment. You can obtain Alcoa Aluminum Chairs in 3 natural aluminum or any other finishes; in any upholstery. There is a wide variety of styles for homes, offices, hotels, restaurants and hospitals. Ask for literature on the type of chairs which interest you. ALUMINUM COMPANY of AMERICA; 2425 Oliver Building, PITTSBURGH, PA.



## CHAIRS OF ALCOA ALUMINUM





# Mobilizing



I. P. I. provides a complete range of inks for publishers of newspapers and magazines—blacks, inks for roto, color-roto, and for color-process.

For matching of colors, or for impressionistic effects, I. P. I. gives the printer a complete ink service—whatever the kind of printing process.



*When writing to THE INTERNATIONAL PRINTING INK*



# ... TO TURN AMERICA'S PROFIT CURVE UPWARD

Today, as never before, companies mobilizing new ideas and new methods are winning in the struggle for markets. Printing ink, rightly used, is one of their most important marketing weapons. Expensive thought and preparation of packages and advertisements are rewarded only if printing ink carries out the effect as originally planned.

Fertile business imagination constantly makes new and exacting demands on printing ink. The International Printing Ink Corporation was formed to answer these demands. This organization combines the man-power, experience, research, capital and equipment of three leading makers of printing inks—now welded into a unit.

Now, at I. P. I., you find not only a complete range of printing inks, but also chem-

ical and engineering skill and long experience—to serve every printing field. I. P. I. assists the printer in choosing the right inks and the right methods for each job. I. P. I. research helps to find the right answers to new needs.

This new and complete I. P. I. service is a vital part of the ability of printers, lithographers, package makers and publishers to help the manufacturer turn his profit curve upward. It is as near to him as his telephone.

*Specialization*—experts in every printing field.

*Research*—to meet new needs, to solve new problems.

*Engineering*—aid in scientific printing methods and shop control.

*Quick Service*—factories or service branches in principal cities of the world.

*Contract Prices*—new low-cost methods of supplying ink.

## THE INTERNATIONAL PRINTING INK CORPORATION

75 VARICK STREET, NEW YORK CITY • BRANCHES IN 26 CITIES

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Affiliation with Ault & Wiborg Varnish Works, Inc., specialists in industrial finishes, gives metal lithographers an extra certainty in I. P. I. inks.



Any type of litho or offset process finds the right ink service at I. P. I. From art calendar to gum wrapper, I. P. I. inks meet every requirement.



# FIRE

## is threatening your home and your business

★ Before you lay down this magazine, fire will snuff out the life of some loved one—some person who at this minute is just as much alive as you. In that same hour forty homes will go up in flames—homes that never dreamed of such danger.

Within 60 minutes two or three American business men will lose their buildings and equipment in fire. Yet they would laugh at you if you warned them now. How can you feel so sure that you or yours will not be the next victim?

That school room in which your children spent the day! How safe is it? That stairway up which they romped to bed! How long would it provide a sure escape from fire? That ceiling over the furnace! What if it got overheated?

That place in your office where your vital business records and books are stored! Could you prove your losses and collect your insurance after fire had done its work? That storage room with blue prints, patterns, and dies piled on old fashioned shelving! Where would your business be if fire should find that spot? There is one way—a simple way—



to rid your mind forever of such harrassing doubts. That is to Save fire loss with Steel.

Steel lath, properly plastered, under all stairways and over heating plants will hold in check at least one hour any fire that starts at these danger spots. Steel record safes have saved the books and records of many a firm that otherwise would have gone down to bankruptcy.

Steel shelving, bins and lockers provide safer storage at those places where fire so often starts. This is only a beginning of the fire losses you can save by use of steel. Steel roofs, steel doors, steel partitions, steel stairways, steel filing cabinets, steel desks throw barriers across the path of fire. Steel cannot burn. Steel cannot start a fire or feed the flames.

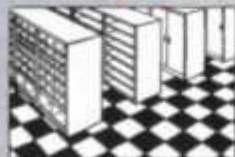
Wherever fire threatens you there is a way to thwart it with steel. Why not begin now to protect your home, your loved ones, your business? Save fire loss with Steel. Trade Research Division, National Association of Flat Rolled Steel Manufacturers, 511 Terminal Tower, Cleveland, Ohio.

★ Compiled from data of Natl. Fire Protection Assn.

## Save with Steel



Steel doors, stairways, partitions and bins cannot burn. They stop fire—saving lives and property.



Steel shelving, display fixtures and bins protect merchandise—save contents from fire loss.



The Underwriters' Laboratories' tests prove steel lath, properly plastered, provides fire safety.



Steel desks, files and safes save valuable records. Steel never starts a fire or feeds flames.



**There are over 5,000 different steel products—saving life, fire loss, drudgery, health, upkeep, depreciation, money, dirt, weight, space or time. Make use of these savings. Buy it in STEEL.**



# NEWS OF ORGANIZED BUSINESS

By WILLARD L. HAMMER

## Western Meeting

THE Western Division of the United States Chamber of Commerce held a two-day session early in December. Some 500 business men, representing trade and industry in 11 western states, Hawaii and Alaska, attended.

One of the most important resolutions was that asking an investigation of federal and state antitrust laws to determine what action may be necessary to remove uncertainties in the operation of the natural-resources industries.

Another resolution called for a study of the possibilities of stabilizing the price of silver as a means of improving economic conditions in countries using silver as a monetary base.

Pacific trade received considerable attention at the meeting. The consensus of the meeting was that while trade and industry are now in difficulties, more normal activity in the future is certain.

At the sessions devoted to the three basic western industries—oil, lumber and mining—there was discussed the need for more self-government to enable these industries to deal effectively with problems of production and to curb wasteful competition.

## Market Surveys

THE Industrial Club of St. Louis has recently published "Outline for Market Surveys" which gives timely and helpful information to organization workers studying problems of distribution.

In brief, the book describes how the information in the Census of Distribution may be used to best advantage. Copies may be obtained directly from the Industrial Club, Chamber of Commerce, St. Louis.

## Stabilizing Business

PROMPT action of the Association of Commerce of Quincy, Ill., kept local business on an even keel following the closing of two of the city's seven banks.

When the second bank closed, on a Saturday, the Association called a meet-

ing of business men. It was determined that the other five banks of the city must be saved. Plans were quickly made.

The evening paper that night carried a front-page statement of confidence in the remaining banks, and an appeal for the use of judgment and common sense in dealing with the situation. This statement was signed by about a hundred prominent business men and firms and it had the effect of calming many worried citizens. It eased the situation at all the banks.

The Association of Commerce then obtained the signatures of practically all the leading business men, factory heads and other prominent citizens.

These were affixed to a full-page statement of confidence in Sunday morning's newspaper.

By Monday the business situation was partially restored to normal. By Tuesday, due largely to the Association's action, the remaining banks were carrying on in the usual way.

## Chambers and Employment

CHAMBERS of commerce that are endeavoring to alleviate unemployment this

winter are legion.

The Minneapolis Civic and Commerce Association, believing that curing unemployment, like charity, should be-

## Where Business Will Meet in February

DATE	ORGANIZATION	CITY
2-5	American Dental Trade Association	Chicago
3	Corset & Brassiere Association of America	New York
3	National Luggage Dealers Association	Chicago
3-5	New England Gas Association	Boston
3-6	Iowa Lumber & Material Dealers Association	Des Moines
3-6	Merchant Tailor Designers Association	Rochester
3-6	Michigan Retail Hardware Association	Grand Rapids
3-6	Wisconsin Retail Hardware Association	Milwaukee
4-6	Michigan Retail Lumber Dealers Association	Detroit
4-6	National Paving Brick Manufacturers Association	Pittsburgh
4-6	Retail Lumber Dealers Association of Western Pennsylvania	Pittsburgh
4-6	Southwestern Ice Manufacturers Association	Mineral Wells, Texas
5	American Association of Wood Pulp Importers	New York
6	Eastern Lumber Salesmen's Association	Philadelphia
9-11	National Builders Association	Hampton, Va.
9-11	National Vending Machine Operators Association	Chicago
9-11	Northwestern Shoe Retailers Association	Des Moines
9-12	Iowa Retail Hardware Association	Des Moines
9-12	National Association of Retail Clothiers & Furnishers	Chicago
9-28	Toy Fair Chamber of Commerce, Inc.	New York
10	Tile and Mantel Contractors Association of America	Milwaukee
10-11	American Honey Producers League	Toronto
10-12	Illinois Lumber and Building Material Dealers Association	Chicago
10-12	Illinois Retail Hardware Association	Chicago
10-13	International Society of Master Painters and Decorators, Inc.	Memphis
10-13	Midwest Power Engineering Conference	Chicago
11-12	Federation of Nebraska Retailers	Omaha
11-12	Ohio Bottlers Association	Columbus
12	National Cheese Producers Federation	Plymouth, Wisc.
12	National Malt Products Manufacturers Association	Chicago
13-14	Virginia Lumber & Building Supply Dealers Association, Inc.	Richmond
15	Eastern Nurserymen's Association	Trenton
16	American Society Steel Treating	San Francisco
16	Technical Association of the Pulp and Paper Industry	New York
16-17	National Federation of Radio Associations	Indianapolis
16-17	Radio Wholesalers Association	Indianapolis
16-18	National Paper Trade Association of the U. S.	New York
16-19	American Paper and Pulp Association	New York
16-19	National Association of Builders Exchanges	San Antonio, Texas
17	Wisconsin Retail Furniture Dealers Association	Milwaukee
17-18	Supply and Equipment Section of the American Paper & Pulp Industry, Inc.	New York
17-19	California Retail Hardware Association	San Francisco
17-20	Minnesota Retail Hardware Association	Minneapolis
17-20	New York State Retail Hardware Association	Rochester
17-20	Ohio Hardware Association	Cleveland
18	Gummed Industries Association	New York
18	Tennessee Dairy Products Association	Nashville
18	Oil Trades Association of New York, Inc.	New York
18-19	International Cut Stone Contractors & Quarrymen's Association	Atlanta
18-20	Wisconsin Retail Lumbermen's Association	Milwaukee
19-21	Western Retail Lumbermen's Association	Tacoma, Wash.
22	American Ceramic Society	Cleveland
24	Southern Travelers Association	New York
24-26	American Concrete Institute	Milwaukee
25-27	New England Hardware Dealers Association	Boston
26-28	Canners League of California	Del Monte, Calif.



WHEN CAREFUL SELECTION IS VITAL TO SATISFACTION



## Motor Cars and Insurance Policies

In choosing a car, you not only consider appearance and cost, but you make adequate investigation of performance and manufacturer's responsibility to assure satisfaction.

With the same sound business judgment, the careful buyer selects his insurance—his sole protection for home, factory, store or other property when disaster comes. In CENTRAL policies, he finds strength, protection, fair adjustments, prompt payment of losses, and a substantial cost-reducing dividend—the fundamental necessities of insurance satisfaction.

CENTRAL policies are written through local agents. For further information, let us send you the name of our nearest representative.



No purchase should be more carefully made than that of insurance. Be sure the policies you buy provide real protection at proper cost.

CENTRAL'S  
DIVIDEND  
SINCE 1921  
HAS BEEN  
**30%**

Organized  
1876

# The CENTRAL

MANUFACTURERS MUTUAL INSURANCE COMPANY  
C. A. L. PURMORT, President Home Office: VAN WERT, OHIO

A Friendly  
Company

Fire, Automobile and Tornado Insurance for Select Risks

**JOSLIN'S  
ECLIPSE  
TIME STAMP**  
**\$17.50**

SATISFACTION  
FULLY GUARANTEED  
*Amazing Value!*



Insures accurate—Efficient—PERMANENT records. Speeds up service—production—detail. Lightweight—handy—Infallible. Checks time—prevents waste—stops profit leaks. Nickel-plated case. Clock guaranteed for one year. Prints time, date and any other useful data, as needed. Indispensable, when once used. Substantially built for hard service. The modern unit for office, shipping and factory use. Truly—"The Stamp with a Memory!"

Write for dealer's name—or mail check or money order for \$17.50 to—

A. D. JOSLIN MANUFACTURING CO.  
220 No. Bank Drive Chicago, Ill.

### WISE CLIP FACTS

When you put a Graffco VISE Clip on a bunch of papers—it's there to stay until you remove it! This plated steel spring clip has an inner tongue that prevents papers from slipping in any direction. You'll easily identify it by its natty orange and black container. 3 sizes hold from 2 to 60 papers. At your stationer's—or write direct.



GEORGE B. GRAFF CO.

78 Washburn Avenue  
Cambridge, Mass.

gin at home, has joined manufacturers, wholesalers, and retailers of Minneapolis in an effort to stimulate demand for goods made in the Northwest and thereby to provide work for their fellow-citizens. Manufacturers and wholesalers are putting the same intensive selling efforts on the home markets that they customarily put on distant markets.

Manufacturers, wholesalers, and retailers are working together to clear a path to the consumer. The Minneapolis Retailers Association, the Minneapolis Advertising Club, two retailers associations, and service clubs are either co-operating or giving official sanction to the movement. One store is tagging every piece of northwest-made merchandise.

The St. Louis Chamber has devised a plan for the stabilization of St. Louis business and the stimulation of employment. The plan contemplates the immediate speeding up of public improvements; the application by industry of methods such as the "stagger system," vacations and part-time employment; the initiation of an extensive clean-up campaign; an exchange of ideas on what is being done elsewhere; the creation of odd jobs for the unemployed, and relief for the destitute through existing agencies.

"The heads of many of the larger firms in the United States," the Chamber points out, "have already pledged that they will drop no employees for lack of work or that they will prorate available jobs among their present force so that all may be assured of at least part-time work."

The Evansville (Ind.) Chamber, in cooperation with the city administration, registered the unemployed. Based on the registration, it was estimated that 1.68 per cent of the total population of Evansville is unemployed, that is that 5.4 per cent of Evansville's normal number of workers is out of work.

Names, addresses and trades of those who registered are kept on file at the Chamber's offices for the use of those who have work available.

### Water-power Resolution

THE membership of the Chamber of Commerce of the United States has adopted

a national water-power policy through its Referendum 57. It is the viewpoint of the Chamber as expressed through its members' votes that the development and distribution of electric power should be left to private enterprise and that the Muscle Shoals project should be sold or leased on the best possible terms. The following 15 recommendations of



# STRUCTURAL STEEL CREATED THE SKYSCRAPER STEEL SOON BEARS RIPE PROFITS

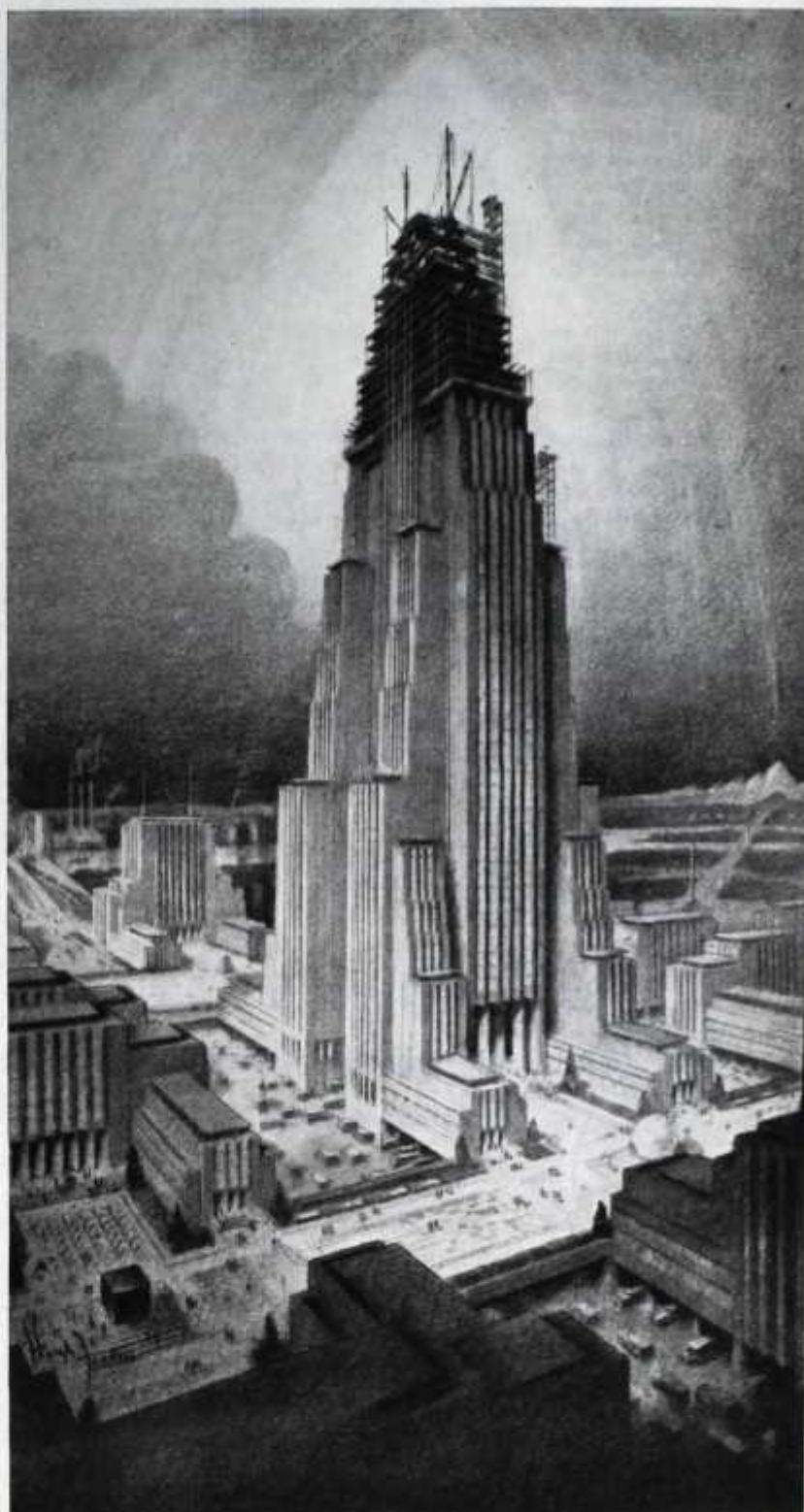
THE "cloud-touchers" are steel! Every one knows that now. Knows, too, that the higher spires and more daring spans to come must be steel. Of greater significance is a growing recognition of this fact: The humble building at a skyscraper's base, or the modest bridge astride a rural stream, is ready sooner, serves better and lasts longer when this matchless metal is used.

For steel brings the same speed and economy in construction, the same predetermined strength and security to homes, schools, and small as well as large apartment and mercantile houses, factories and bridges. It comes to a building site ready to go into place. Heat or cold, rain or snow cannot affect it. It is permanent, fire-resistive, cannot shrink. It may be quickly erected wherever and whenever men can work.

Before building anything, find out what steel can do for you. The Institute serves as a clearing house for technical and economic information on steel construction, and offers full and free co-operation in the use of such data to architects, engineers and all others interested.



The co-operative non-profit service organization of the structural steel industry of North America. Through its extensive test and research program, the Institute aims to establish the full facts regarding steel in relation to every type of construction. The Institute's many publications, covering every phase of steel construction, are available on request. Please address all inquiries to 200 Madison Avenue, New York City.—In Canada, to 710 Bank of Hamilton Bldg., Toronto, Ontario. District offices in New York, Worcester, Philadelphia, Birmingham, Cleveland, Chicago, Milwaukee, St. Louis, Topeka, Dallas, San Francisco and Toronto.



"MUNICIPAL CENTER FOR CITY OF MEDIUM SIZE." AN ENLARGEMENT OF THIS DESIGN BY HUGH FERRISS, ON SPECIAL STOCK FOR FRAMING, WILL BE MAILED WITHOUT CHARGE TO ANY ARCHITECT, ENGINEER OR BUSINESS EXECUTIVE.

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## the most vital part of production—

## demands roller bearings, too

**E**VERYWHERE, roller bearings reduce friction, power losses, and wear; and increase production speeds. These advantages should be applied to transmission as well—the most vital part of the production line.

Increasing efficiency in methods, increasing speeds of machines, have resulted in the ever growing trend toward the Diamond High Speed Drive—since it is the only form of transmission that embodies the roller-bearing principle to such a high degree.

Regardless of the speeds at which your shafts are driven, Diamond Drives transmit the maximum of power while reducing trouble, delay and repair.

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Diamond Roller Chain (Multiple Strand) Main Drive on Sand Mixer, 20 H.P. 1160 r.p.m. motor. Diamond Roller Chain Drives are positive, no slipping.

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This Diamond on every link identifies the Diamond Drive

*A series of radio broadcasts under the title*

## "How's Business?"

is conducted by Merle Thorpe, Editor of Nation's Business, every Monday night at 8 P.M. (Eastern Standard Time) over a National Broadcasting Company hook-up. Watch your local papers for announcements of stations carrying this program.

the special committee which prepared the referendum report were passed by a large majority:

1. That Federal and state appropriations should be increased for the collection and publication of data relating to water resources.

2. That the Federal Government should leave to the states all possible control over utilization of water resources within the states.

3. That each state should have an agency to promote and regulate development of its water resources.

4. That the states should use compacts among themselves for determination of their respective rights in boundary and interstate streams.

5. That, through adequate appropriations, and through methods of appointment and compensation for members and staff, state commissions should be enabled to discharge their duties with the greatest possible efficiency.

6. That state commissions should be authorized to initiate proceedings in which they may exercise their regulatory powers, including proceedings as to disparities in domestic rates.

7. That every effort should be made by regulatory bodies and utilities to reach by agreement the valuation to be placed on properties.

8. That interstate power, so far as now incapable of regulation by states, should be regulated through concurrent action of state agencies made effective by the Federal Power Commission, and only in the event of failure of concurrence on the part of the state agencies should be regulated directly by the Federal Power Commission.

9. That municipally operated utilities should be subject to the same regulation as privately operated utilities.

10. That the Federal Power Commission should avoid duplication by utilizing the field services of other agencies of the Federal Government.

11. That development and distribution of electric power is within the proper sphere of private enterprise.

12. That the Federal Government should leave the construction of dams and other structures and the generation of power to other agencies, except where they are an essential part of national or international projects that cannot be successfully carried out by other agencies.

13. That the Federal Government should always leave the transmission and distribution of power to other agencies.

14. That the state governments should leave development and distribution of power to utilities which they effectively regulate.

15. That the Muscle Shoals project should be sold or leased, as is, on the best possible terms.



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QUALITY



SERVICE

For Every Use in Industry and Construction



## FOR BETTER BUILDINGS

**S**TEEL SHEETS are serving an important and ever growing list of uses. For roofing and siding in industrial construction; for gutters, spouting, flashings, metal lath, and similar uses in well-built structures; for ventilating and air-conditioning systems in great skyscrapers; for molding, sash, trim and doors in fireproof buildings; and for metal furniture, cabinets, and equipment for both office and home. Also in growing demand for airfield work, culverts, and underground uses.

Be sure the sheet metal you use has a reputation for quality and endurance. Specify AMERICAN Black and Galvanized Sheets, Tin and Terne Plates for all purposes. KEYSTONE quality (steel alloyed with copper) gives maximum rust-resistance. Sold by leading metal merchants.



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## TOPICS

from

## THE TRADE PRESS

By Paul H. Hayward

**H**OME, sweet home is in for some rather radical changes, if we may believe a prophecy sketching the house of the future, cited in *Heating and Ventilating*. For instance, we read:

A combination of translucent and opaque windows as wide as show windows are given a prominent place, as well as flat roofs for use as outdoor living rooms in the summer. . . . Walls and partitions will be made so much thinner that an extra room can be added without enlarging the house.

The basement will be eliminated entirely. Heating systems will be relegated to garages, which will be attached to the house.

Due to the advent of the attached garage, building lots will change in size. They will be wider and of less depth, the garage being attached to the side of the house. The deep lot, it is pointed out, is a survival of the days when it was necessary to place the barn at the end of the back yard to keep stable odors as far as possible from the house.

Floor plans will be shifted so that the living room will be at the back of the house, and kitchen and service rooms on the street side.

Living rooms, it is argued, were placed originally along the street, because the street was thought of as a parkway. Also, it was pleasant to sit on the front porch or to linger by the front-room windows.

In the new scheme of things, building insulating materials will have an important place, because with thinner walls and partitions, insulating board, augmented possibly by a sheet of steel, will be the key to this form of construction. . . .

As heat is required to make ice and to supply cool air, the house of the future, according to the same prophet, will have one plant which will furnish the necessary heat, make ice, and cool the air when necessary.



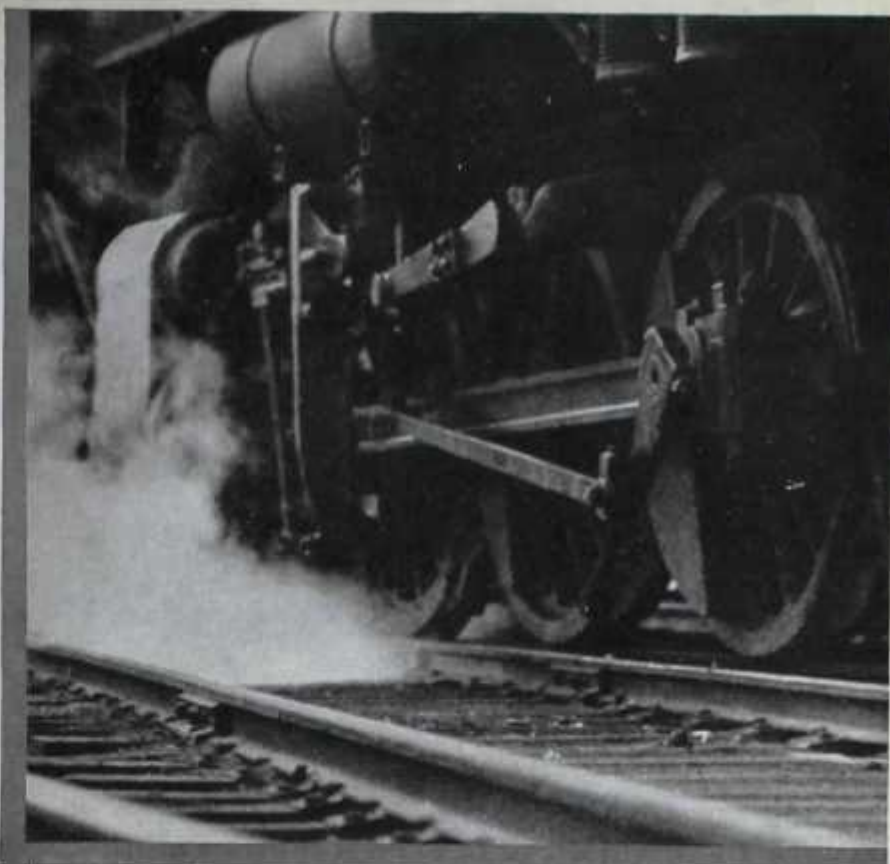
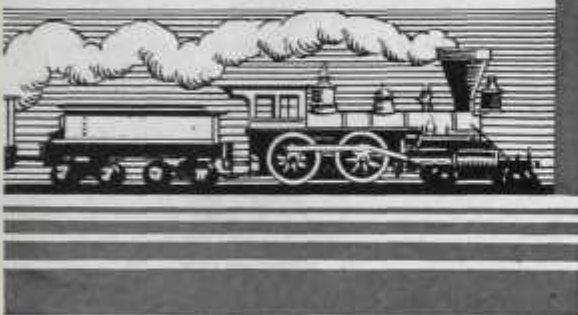
### ♦ Doing Something About Smoke

SEVERAL cities, we are informed by *Factory and Industrial Management*, have learned that something really can be done to lessen the expensive and



## STEEL RAILS

made modern  
locomotives  
possible . . .



*Ethyl* opened the way  
to **BETTER** automobiles

**I**N 1860, wiseacres said the peak had been reached in railroad transportation. Iron rails could not stand any more weight. Locomotives would never be any larger.

Then steel rails, made possible by Bessemer's converter, opened the way to further progress; opened the way to the giant locomotives of today.

\* \* \*

Automobiles faced a dead line a few years ago. Gasoline could not stand the high pressure demanded by more efficient motors.

Then Ethyl fluid was discovered. Added to good gasoline, it makes a motor fuel that stands high pressures without "knocking," or consequent power loss. The opportunity for progress that steel rails gave railroading, Ethyl Gasoline has given the oil and automotive industries.

High compression motors, powered by fuel that stands their pressures without detonating, point the way to further improvement in automotive efficiency. To you

and to automobile manufacturers higher compression motors offer:

*Increased power without increased weight*

*Increased accelerating ability*

*Decreased heat waste.*

Ethyl Gasoline brings out the best performance of any automobile on the market today. It has opened the way to the still better cars of tomorrow.

The fleet you own now will prove more valuable with Ethyl. The cars you buy in coming years will be designed to take even better advantage of this improved fuel. Test Ethyl for cost and performance. Ethyl Gasoline Corporation, Chrysler Building, New York City.



The active ingredient used in Ethyl fluid is lead

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Leading firms in all lines are enthusiastic Ditto users; not alone in billing, but for factory orders, purchaser-order sets, card records, payroll methods.

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annoying pollution of the atmosphere by smoke. At Rochester, N. Y.,

a smoke-inspection department operating under the supervision of the Commissioner of Public Works has been organized. In the smoke tower, 190 feet above the street, two smoke inspectors regularly carry on their observations. As soon as a stack starts to smoke, a special telescope is trained on the offender.

Fitted to the telescope is a Ringelman smoke chart which enables the inspector to ascertain whether the smoke is denser than that permitted under Rochester's smoke ordinance. If it is, the duration of the smoking period is timed and, if over five minutes once in four consecutive hours, the offender is notified. Steps must be taken immediately or legal action is in order.

At St. Louis, the Citizens' Smoke Abatement League is making strenuous efforts to lessen atmospheric pollution by smoke. Here a small motion-picture camera has been equipped with a releasing trigger, having for its timing element a telechron clock.

Thus a picture record of a stack every minute during a four-hour period is secured at one loading of the camera.

To send the owner of the offending plant a ten or fifteen-minute strip of pictures of his smoking stack, and occasionally to turn persistent violators over to the local newspapers, helps tremendously.



### • To Spend or to Economize?

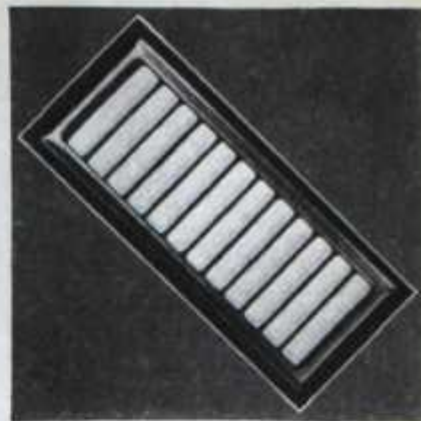
COMMENTING on one prescription that has been advanced as a cure of business depression—the spending of more money by every one—*American Bankers Association Journal* says:

If spending more is to be applied to all alike, then the great industries, already with too much finished product on hand, are logically to make even more products, not knowing when they may sell, or how much cheaper in an era of declining prices they may purchase raw material at some later date. And would a corporation following such a policy improve its position at the bank when it sought a loan by the statement that it was just spending more to make business good? Ergo, if the advice is not good for corporations of great capital and resources, how can it be good for the average man?

The new philosophy of spending may be a sound philosophy and just the thing to make the wheels go round but the world for the most part having been developed to its present state through individual industry and individual thrift may be slow to enthuse over this panacea. Though he may



# DON'T WAIT UNTIL THE RACE IS STARTED . . .



G. P. & F. drawn and punched grille (of 14 U. S. gauge steel) for heating system application. Naturally the smooth finish is desirable for attractive appearance. The light weight and thin cross section would be impossible of attainment except in pressed metal.

**F**ORESIGHTED manufacturers in every field are taking advantage of these quiet days to get fully prepared, *better* prepared, for the bustling days to come . . . when the race for business is on full speed and every advantage counts double.

G. P. & F. are working with the users of stampings in preparation for the race to come. Tools are being prepared, sample stampings from the tools Ok'd . . . everything in readiness for the "break".

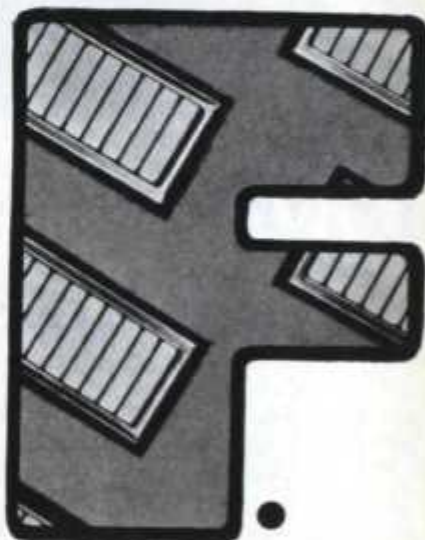
With the background of G. P. & F.'s fifty years' experience in the stamping of countless products, with their huge facilities, their knowledge of every cost-reducing short cut, you can be sure of dies best fitted for the job, of better stampings at lower ultimate cost. And the size of this plant, occupying 19 acres of floor space, assures prompt, speedy delivery of any order.

As the first step in preparation mail the coupon for a copy of the helpful booklet "*In Harmony With Modern Progress*". It was written to show manufacturers what can be done with pressed metals—and is sent without charge.

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360 W. Ohio Street, Chicago, Ill.



19 ACRES OF FLOOR SPACE

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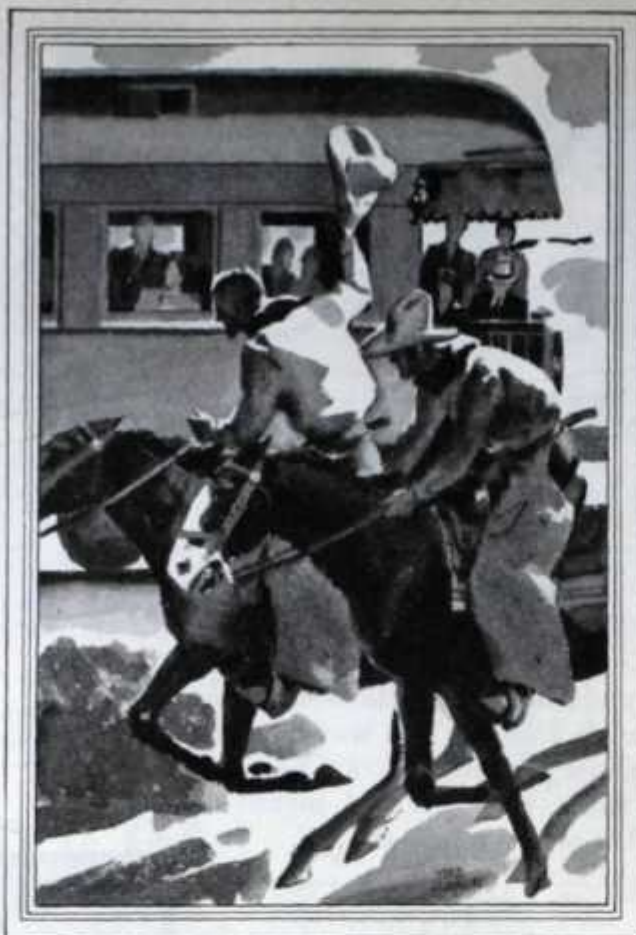
Company Name .....

Address .....

City..... State.....







# West on the friendly "Sunset Limited"

Every day the "Sunset Limited" speeds out of New Orleans into the West that's south of winter.

From the North and East they come to board this colorful train with its cosmopolitan personality borrowed from every place it serves. New Orleans has given her southern hospitality and a Creole dish or two. El Paso, the feel of Old World Mexico just across the border. Tucson and Phoenix in Southern Arizona have added a thrilling Apache strain . . . and Los Angeles, San Francisco—all California, the warm friendliness of the newer West.

Only Southern Pacific offers direct main line service to the guest ranches of Southern Arizona, and California's smart desert resorts at Indio (La Quinta) and Palm Springs. Go on "Sunset Limited". Return another way on trains that are tradition—"Overland Limited", "Cascade", "Golden State Limited".

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not stop to reason it out, the average man may have a premonition that it still is good to be prudent in his expenditures, making his budget according to his income with a bit of consideration for sickness, unemployment and the unexpected.

Philosophy is delightful but unemployment, want, and destitution are grim facts and it is cash that the chain store demands from the ultimate consumer.



## • The New Trend in Trucks

A NEW trend in transportation is noted by *Railway Age* in the growing carload freight haulage over long distances by motor trucks. Editorially commenting on an article by L. B. Young, vice president of Pacific Motor Transport Company, a Southern Pacific subsidiary, the publication says:

Improvements in design and construction of motor trucks have culminated in a vehicle capable of high speed and, in combination with trailers, capable of carrying 20 or more tons of freight—a good freight-car load.

The result is that the motor truck has developed into a competitor for freight traffic in carload lots moving over long distances, as well as a competitor for short-haul, less-than-carload traffic. . . .

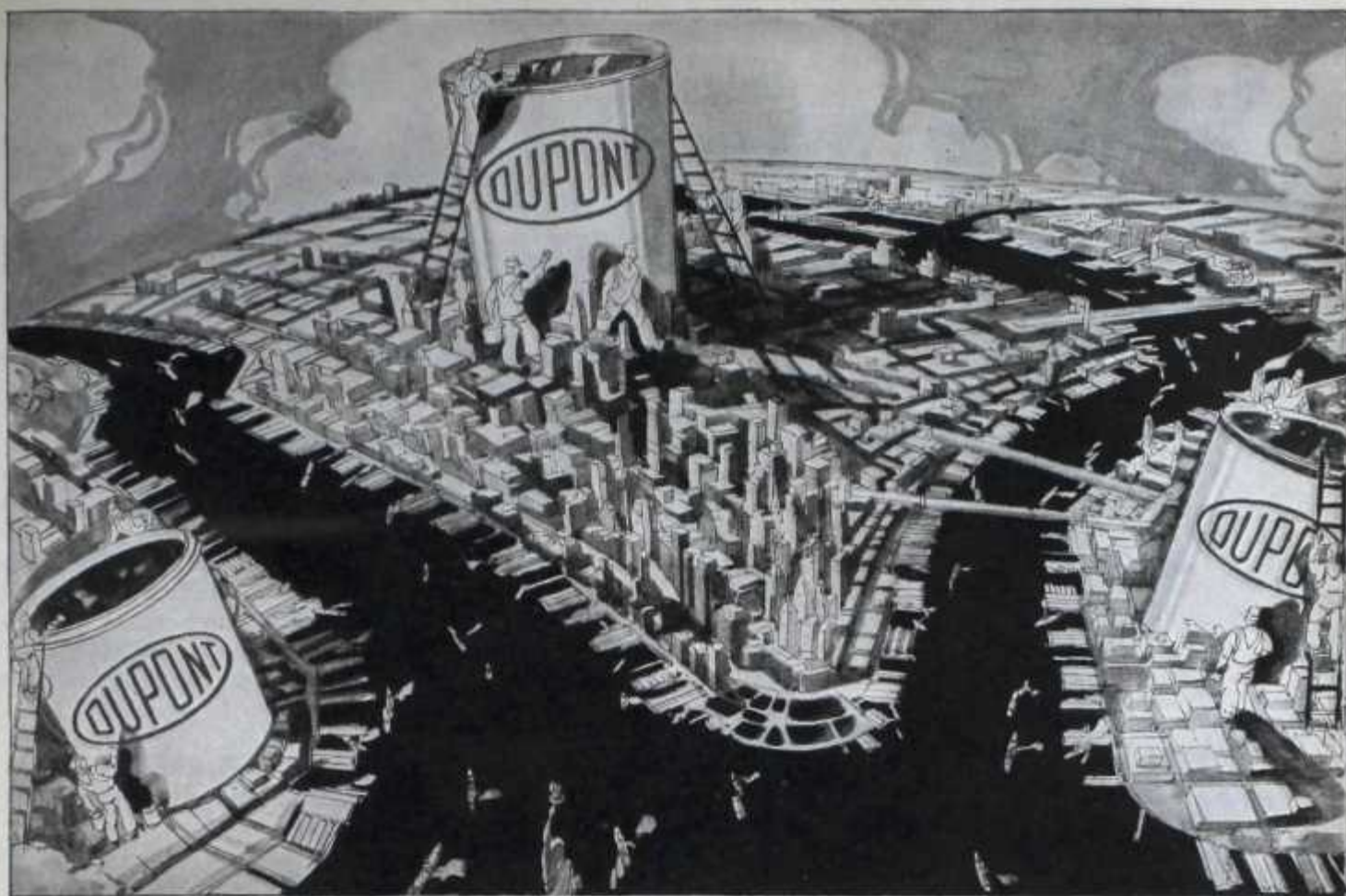
One company advertises an overnight motor-truck service between Los Angeles and San Francisco, a distance of 480 miles, this run being commonly made in 15 hours or less. . . .

Trucking companies operating over routes of such length are adopting an interesting expedient to make it possible to keep their trucks and freight moving with a minimum of delay. The trucks are manned by a regular driver and a relief driver, so that while one is at the wheel the other rests on a berth built into the driver's cab behind the driver's seat.

How shall the railways meet this competition? . . . Two courses appear to be open, if we eliminate the recourse of rate reduction which has too often been entirely unsuccessful in meeting truck competition. The first course would be an attempt to bring about some stabilization of the motor-truck operating companies through regulation, which would eliminate the shoe-string operator who is here today, bankrupt tonight and replaced by another of the same sort tomorrow.

The other course—suggested by Mr. Young—is that the railways obtain authority to become sufficiently flexible, through the coordination of motor transport and railway facilities, to meet truck competition as they find it.





## How BUSH distribution puts DU PONT PAINT all over NEW YORK

A WIDE range of colors, a wide variety of kinds of paint, and different sizes of containers present a problem in the distribution of Du Pont Paints and Duco in New York. Thin, but representative stocks in retail stores force faster turn-over for retailers, *provided the fill-in service is quick and dependable*. Pint, quart, gallon or barrel . . . a sale is made . . . stock needs replenishing—then comes Bush Distribution.

Du Pont, like other aggressive manufacturers, has learned that distribution of merchandise is a sales factor rather than a traffic problem. Du Pont has learned that Bush Terminal is an economical factor in distributing their paints to the New York market. It saves time and, by saving time, speeds selling.

Many manufacturers save up to 50% on distribution costs by using Bush Distribution. The list of manufacturers using the various facilities of Bush Terminal is a "Who's Who" in modern selling practices. They employed these facilities on definite facts and figures. They continue to employ them because the facts and figures proved correct.

**Manufacturing facilities at Bush Terminal.** This "industrial apartment house" provides vital manufacturing economies and distribution efficiency. Here are eight enormous ocean steamship piers, miles of railway sidings by, through or under massive warehouses and manufacturing units; 10,000,000 square feet of floor space; cold storage; power;

steam and heat in any quantity. Care, speed and dependability in receiving, storing and delivering goods.

Let us quote definite facts and figures, based on an expert survey of your special requirements. Descriptive literature on manufacturing and distribution will be mailed you. Specific questions will be answered in full by Bush expert service men, thoroughly equipped by long experience to serve as industrial counselors and to make exact proposals after close study and analysis of your existing conditions.

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writing

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## Sales Tax—the Case Against It

(Continued from page 46)

in 1921. The tax has a diversified rate structure demanding from mineral extraction and timber industries from 42 cents to \$1.85 on each \$100 value; 21 cents on each \$100 of manufactured products; 20 cents on each \$100 volume for engaging in the business of selling tangible property other than at wholesale; five cents on each \$100 volume for engaging in the selling of tangible property at wholesale; a range of from 30 cents to one dollar per \$100 of business of utilities; 30 cents on each \$100 volume for engaging in the contracting business; one dollar on each \$100 value for engaging in the amusement business, and 30 cents on each \$100 value for all other businesses, including retail.

Each class is entitled to a specific deduction of \$10,000 from sales proceeds before the tax is computed.

### Taxes that pile up

AN ARTICLE manufactured in this state goes to the wholesaler with a 21 cents tax attached for each \$100 value; to the retailer with an added five cents and to the consumer with an added 30 cents. Perhaps the manufacturer and wholesaler can collect their taxes because of the quantities they sell. The retailer's problem in handling the burden already has been explained.

Manufacturers and wholesalers in such a state are at a disadvantage in competition with concerns in adjoining states. Thus legislatures, in their eagerness to discriminate against the chains, have added another inducement for purchasing outside the state from mail-order companies.

For a time in West Virginia the professions were taxed but in 1925 the law was amended to exempt those so engaged, representing still another inequality in the sales tax plan. It is difficult to conjure up any sane reason why a man who is attempting to make a living by selling merchandise should be taxed on the service he gives, because that service takes the form of commodities delivered, while the lawyer, the doctor and others go untaxed.

Although the West Virginia officials in charge of its administration reported satisfaction with the sales tax, which was a compromise measure in the first place, an investigating committee of the National Industrial Conference Board reported that the tax was not simple in

administration; that gross sales provide an inequitable basis for taxing business; and that the tax is expensive to collect.

The controversy concerning sales taxation may roam far and wide among the abstract, hypothetical considerations cited up to this point, but there are two dominant factors of utmost practical applications which must be accorded decisive weight.

One is that—even granting for purposes of argument that a sales tax might be fairly equitable, easy to collect, and productive—it fails conspicuously to accomplish the objective which is the only reason for considering it at all; that is, it fails, as a matter of demonstrated practice, to diminish by a penny the other taxes whose pressure invariably starts the wild goose chase for "painless" taxes.

The other telling point—even granting that a sales tax conceivably might be reflected in some degree in reduced property taxes—is:

Why a special tax on one special interest (retailers and wholesalers) when they already pay not only a substantial share of general taxes on property and income but also an already disproportionate share in number and volume of special taxes of license character? That is, why single out a particular kind of business which already can make as convincing a case on the point of unfair tax burdens as can any other kind of business, with the possible exception of railroads and other public utilities?

### The ideal sales revenue

THE time may come when some ingenious individual can devise a sales tax plan that will not be troublesome and expensive to administer; that will tax in proportion to ability to pay; that will not unduly increase the cost of living of the consumer; that will not encourage purchasing out of the natural trade area; that will place a proportionate burden on luxuries and necessities; that will not place a premium on one means of making a living over another; that will not, although intended as a consumers' tax in fact, throw a part of the burden on the collector-taxpayer; that will not tax a collector-taxpayer on volume when he has, as a matter of fact, no profits on his business for the taxable period; and one that does not single out a particular interest or group of interests as the object of tax discrimination—but that has not been done yet.



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*Sports at their best  
amid the towering peaks of the Canadian Rockies*



"KEEP your eye on the ball," says the pro. And yet how can you? . . . when rising on all sides of the golf course is the scenic majesty of the mightiest mountains on the continent.

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NEW YORK  
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Grand Trunk Bldg.  
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## Credit Groups—a New Technique

By RAYMOND HOUGH

Manager, Credit Group Department, New York Credit Men's Association

IN an era noted for its mergers and the growth of the "Association" idea, it is natural that credit executives in the manufacturing and wholesale fields should adopt a plan for solving their common problems. In the New York metropolitan area this plan has taken the form of the New York Credit Men's Association, an organization which provides systematized and centralized supervision of the activities of numerous credit groups.

This Association, numbering some 3,300 members, is the largest unit of the National Association of Credit Men which comprises some 200 associations in the principal commercial centers.

A few years ago far-seeing credit executives recognized the need of a systematic and elastic plan for servicing and directing credit groups in the New York area. The leader in this movement, William Walker Orr, executive secretary of the New York Credit Men's Association, pointed out that the prestige and influence of the Association would be an important factor in developing and establishing credit groups under this plan. Accordingly, the New York Association set up a new department designed to supply widely varying types of credit-group service.

### Varied groups use services

AMONG the first groups to utilize the services of the new department were the oil companies, crude rubber dealers, paint raw material dealers and automotive supply houses. Soon the food manufacturers, dye-color and chemical houses, millwork jobbers and glass distributors organized similar groups, while today the groups functioning also include floor-covering jobbers, drug manufacturers, drug wholesalers, food manufacturers selling to retailers, essential oil manufacturers, hardware manufacturers and distributors, perfumery and toilettries manufacturers, paint jobbers, brokers-credit bureau, finance group, paper-container manufacturers, toy wholesalers, women's specialty-goods manufacturers, lumber dealers, confectionery manufacturers and wholesalers, shoe wholesalers, truck-tire distributors, hosiery manufacturers, and gypsum manufacturers.

The New York Association is also providing an effective credit-group service to such groups as the Westchester Builders-supply Houses, Long Island Plumbers and Paint and Allied Industries (mostly paint manufacturers). These groups employ a full-time secretary. Approximately 575 of the most prominent manufacturing, wholesale and banking houses operating in and from the New York district, representing some 30 different lines of industry, are finding the credit-group plan a vital factor in their operations.

### Easily adapted to other lines

WITH slight modifications this credit-group plan can be adapted to the needs of financial institutions, real-estate dealers, employment agencies, coal-mine operators and mills. With some further modifications it can be adapted to serve retail merchandising interests.

Heretofore, firms extending credit have had difficulty in obtaining sufficiently reliable and complete credit data quickly. The new group technique solves that need.

The systematically conducted credit group is intended to supplement rather than to displace the nation-wide Credit Interchange Service of the National Association of Credit Men, and the use of mercantile agencies such as Dun's and Bradstreet's. It is a generally accepted fact that credit information in its main aspects originates in the experience of firms extending credit. The new Credit-Group plan taps this wealth of information at its source.

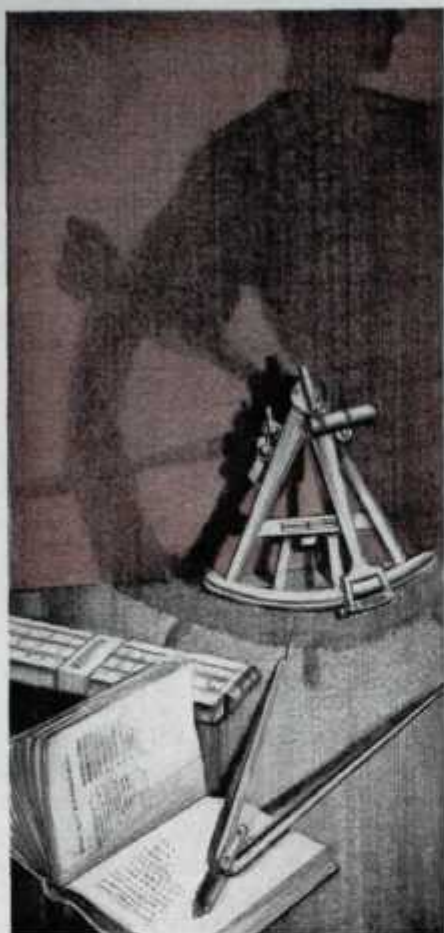
Ordinarily these credit groups are organized by a few of the more progressive credit executives in a particular line. The New York Association is then asked to analyze the situation and draft a plan of group service particularly designed to meet their needs. Groups usually prefer to restrict their membership to 25 or 30 firms, although some groups have as many as 50 members.

The organization of a new group is completed by the election of a chairman, a vice chairman and an executive committee. The group determines what type of credit service is desired, and passes on applications for membership.

Group meetings are held monthly or



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semimonthly. The Association handles the gathering and compiling of credit data by first issuing a notice of a meeting and then following up the various members to obtain their data and to insure their attendance. The Association handles all details of the meeting and is represented at the session by a man experienced in credit matters and in credit-group technique. Through this representative, the Association's attorneys guide certain aspects of group activities away from legal pitfalls.

The nature of the credit-group service varies widely—in fact this flexibility is one of the fundamental factors of the plan. Some groups prefer, for a time at least, a simple service which assists them to meet regularly and provides inexpensive facilities for developing and exchanging credit information. Other groups arrange for the Association to have ready for the meeting detailed credit reports on lists of names, provided in advance by members. These reports are then amplified by information made available at the meeting.

### Full service may be had

STILL other variations of the plan are provided when groups wish a comprehensive and complete service, employing a full-time secretary with one or more assistants and complete group files. Under this arrangement no limit is fixed to the number of daily credit clearances allowed to members.

Many groups use stationery connecting the group name with that of the Association, for example, "Floor Covering Jobbers' Division of the New York Credit Men's Association." The names of member-firms are listed on the margin of these letter heads. In the name of the group, the secretary solicits financial statements and handles other correspondence with customers of members. In many instances this correspondence concerns alleged trade abuses such as taking unearned cash discounts or making unjust claims.

Some groups compile lists of customers whose accounts are past due, the purpose of these lists being merely informative. A "Red Flyer," conveying drastic adverse credit information from one member to fellow members, through the group secretary, is sometimes used. This notice covers such information as giving or foreclosing of mortgages affecting an account, judgments entered, important suits being filed, or suspicious change of ownership.

An effective phase of this plan is the use of "moral suasion" letters written



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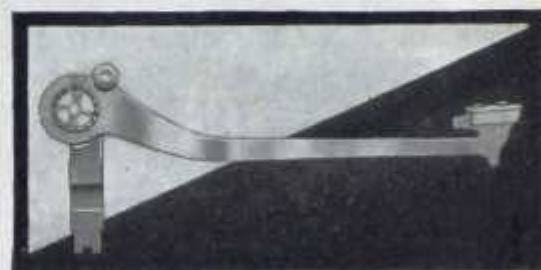
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"Costs are carefully scrutinized in our organization. Equipment must be efficient—or out it goes. We found the ball bearing type bar construction of the L C Smith made typing easier, faster. Our L C Smiths soon paid for themselves in greater output. Now we never order any other kind."

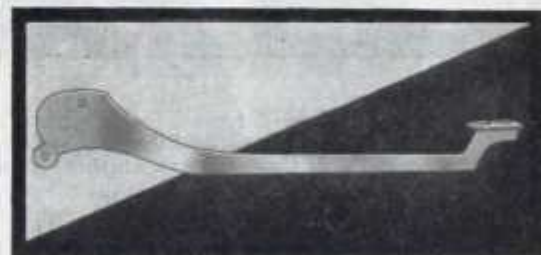
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10. Hotel Vendig
11. Reuben's Restaurant
12. Stauffer Restaurant
13. Horn & Hardart Baking Co.
14. Penn Athletic Club
15. Berkeley Apartments
16. Drake Apartments
17. Land Title Building
18. Plaza Trust Company
19. Cassatt & Company
20. American Bank & Trust Co.
21. Liberty Title & Trust Co.
22. Guaranty Building (Gomery Schwartz)
23. Scottish Rite Temple
24. Penn. R. R. Office Building
25. Burlington Arcade
26. Federal Reserve Bank
27. Integrity Trust Company
28. Curtis Publishing Company
29. Market St. National Bank
30. Aldine Trust Company
31. Drexel Bank
32. F. W. Woolworth Co., 1229 Chestnut St.
33. Reading R. R. Station

34. Phila. Elec. Co., Richmond St. Substa., Delaware St. Substa.
35. Jefferson Hospital
36. Stanley Theatre
37. Grand Opera House
38. Pres. Church, Broad & Diamond Sts.
39. H. K. Mulford & Co.
40. Rita Carlton Hotel
41. Hahnemann Hospital
42. Fidelity Phila. Trust Co.
43. Philadelphia Museum
44. Huyler's Store, 1204 Ches. St.

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- Bell Tel. Ex. - 17th & Arch Sts.,  
Chelton Ave., 17th & Lombard Sts.,  
Sears-Roebuck Store  
Blum Store  
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Horn & Hardart Rest.  
Penna. R. R., Power House  
and New Broad St. Station  
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## AMERICAN AIR FILTERS

by the secretary on group stationery, which are sent to customers whose accounts are overdue. If accounts still remain unpaid, the Association's Collection Department takes them over.

Groups employing full-time secretaries utilize their services in many ways for the mutual interests of member firms. This includes arranging with the Association for meetings of creditors and representing the group at such gatherings, as well as other work designed to coordinate credit work for the benefit of members.

#### Fees for the service

UNDER the Credit Group plan, all participating houses are members of the New York Credit Men's Association or of one of the affiliated units of the National Association of Credit Men. The fee paid for credit-group service ranges from \$25 per firm per year to \$1000.

The nominal charge is made where a skeleton group service only is provided. Groups preferring the more expensive service maintain a most complete visible filing system reflecting at all times all accounts of members.

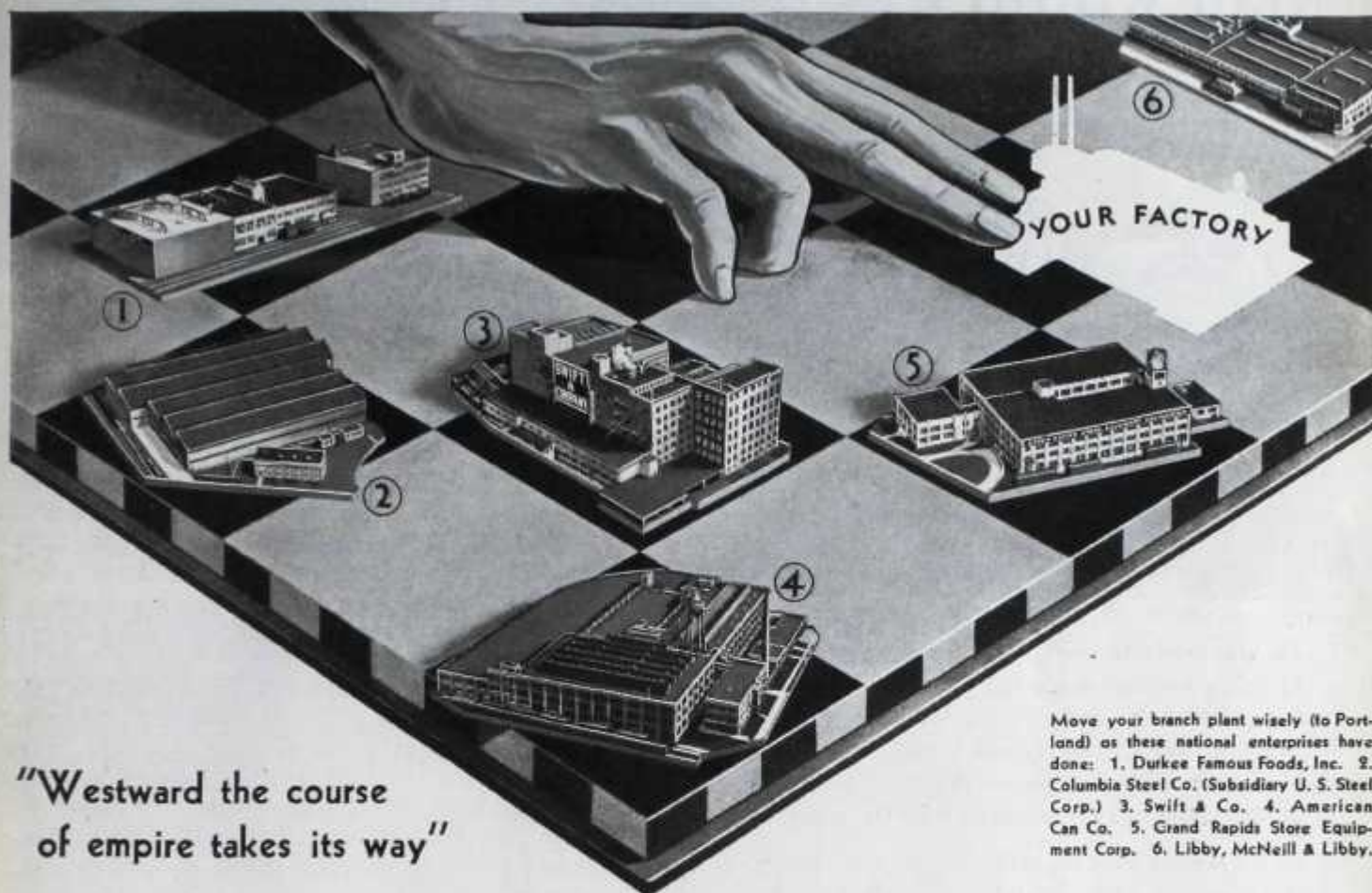
The cost per member of the average credit group is from \$40 to \$50 a year, a figure made possible only by the volume of such work handled by the New York Association.

There are two main results derived by member-firms from this type of credit-group activity. One is the development of credit information on numerous accounts. Various methods are used to procure and disseminate this information. The other benefit is considered by some firms to be the more important of the two. This is advantageous, personal contacts made by credit executives, leading to mutual confidence and friendship between representatives of houses, often competitive, which are interested in common accounts. It has also been found that these group contacts give the average credit executive a broader viewpoint and a higher conception of credit ethics.

Experience gained in these credit groups has enabled many a credit manager to advance or safeguard the interests of his employer by having available a means of quickly obtaining complete and reliable credit information. While this is not the only system that could be devised to meet this need, it is felt that it is peculiarly suited to the needs of credit executives in a highly competitive market such as the New York district, and that it is sufficiently flexible to meet additional demands as they may arise.



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"Westward the course  
of empire takes its way"

NATIONAL ENTERPRISES in ever increasing numbers are establishing branch factories, warehouses, and sales headquarters on the Pacific Coast. Many have chosen Portland for the reason that it is the commercial capital of the great Columbia River Basin, a market of 2,500,000 people, the central port and distributing point of the Pacific Northwest; while still others have made Portland headquarters for their entire Pacific Coast and western operations, owing to Portland's many distinct and exclusive advantages over other commercial centers. Its location at the western gateway of the Columbia Basin—only water level grade through the mountains that parallel the entire Pacific Coast—gives Portland distinct trade advantages.

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Canal, and to the overseas markets of the world.

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Move your branch plant wisely (to Portland) as these national enterprises have done: 1. Durkee Famous Foods, Inc. 2. Columbia Steel Co. (Subsidiary U. S. Steel Corp.) 3. Swift & Co. 4. American Can Co. 5. Grand Rapids Store Equipment Corp. 6. Libby, McNeill & Libby.

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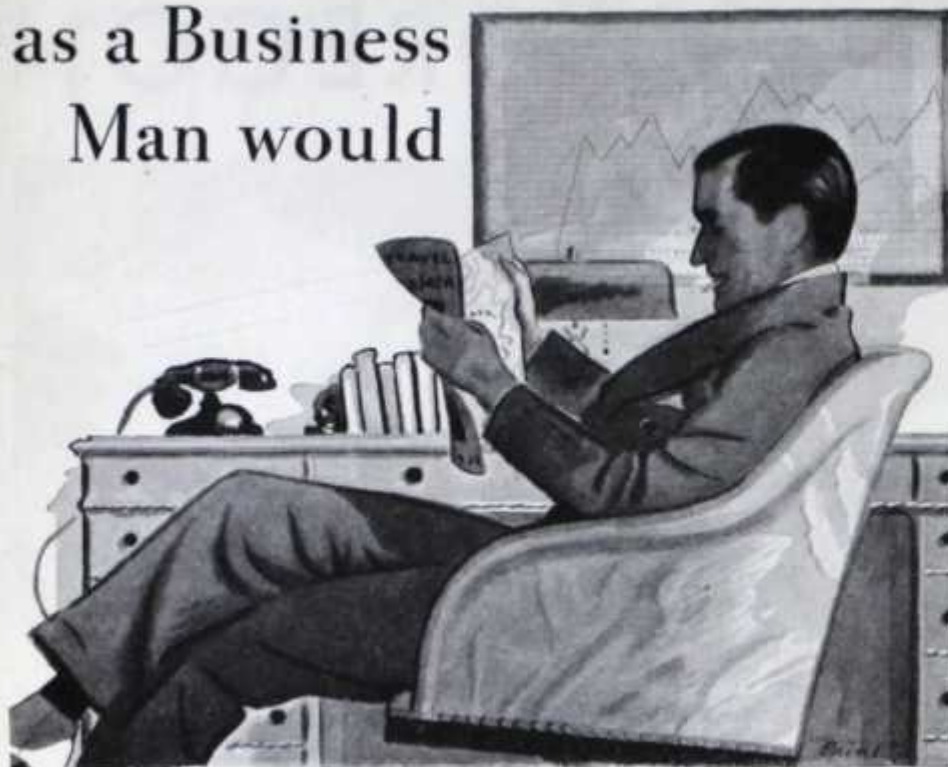
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He was ready to start on a two months' tour of Europe. His only task in preparation for the journey had been to think over where he wanted to go, roughly jot down his wishes and turn the memorandum over to the trained travel staff of the American Express Company. Then his worries ceased. These travel technicians made all the plans and arrangements for the entire trip.

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## A New Rival for the Railroads

(Continued from page 35)

sideration for as many more miles. This development has been caused by the enormous reserves of natural gas, improved methods of engineers and manufacturers in making better pipe and the realization of financial interests that the natural-gas lines are good investments.

A few years ago the natural-gas industry was largely confined to West Virginia, Ohio, Kentucky and Pennsylvania and these areas supplied little more than their immediate communities. But the development of natural gas in the Monroe, La., area, the Texas Panhandle, the Kettleman Hills, southeastern New Mexico and Oklahoma has been the big factor in stimulating long-distance pipe-line transportation. Pipe lines have been constructed in the last year or so to supply St. Louis, Denver, San Francisco, Birmingham, Atlanta, Kansas City, Memphis, Salt Lake City, New Orleans and other large cities.

### Gas may replace coal

IN MANY communities the use of coal has been supplanted both for domestic and industrial consumption. Natural-gas consumption has increased three-fold in the last nine or ten years, the value of natural gas consumed in 1929 being estimated at nearly a half-billion dollars.

Texas, Louisiana, Oklahoma and Arkansas now produce four times as much gas as West Virginia, which has been a leader in eastern production. During the first nine months of 1929 the leading manufacturer-gas distributing agencies have bought 50 per cent more natural gas than in the corresponding period of the previous year. Public-utility companies increased their natural-gas consumption about 25 per cent.

The work in the Kettleman Hills in California has been one of the recent spectacular developments in the oil and gas production. Prof. G. Ross Robertson in a report to the American Chemical Society said that no experienced oil operator would dare to predict the life of this field.

A map of natural-gas trunk lines was published by *Oil and Gas Journal* not long ago. Southeastern Kansas, Oklahoma, northern Texas, northern Louisiana, southeastern Arkansas, Ohio and western Pennsylvania constitute the ultra-red parts (the natural-gas pipe systems are represented on it by red



# Paste<sup>TO</sup> Powder

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GOLD DUST enters its final step in manufacture, a slow-flowing paste. It leaves it, a tumbling cascade of powder. This transformation is a miracle of cold processing... accomplished through huge rollers chilled by Mechanical Refrigeration.

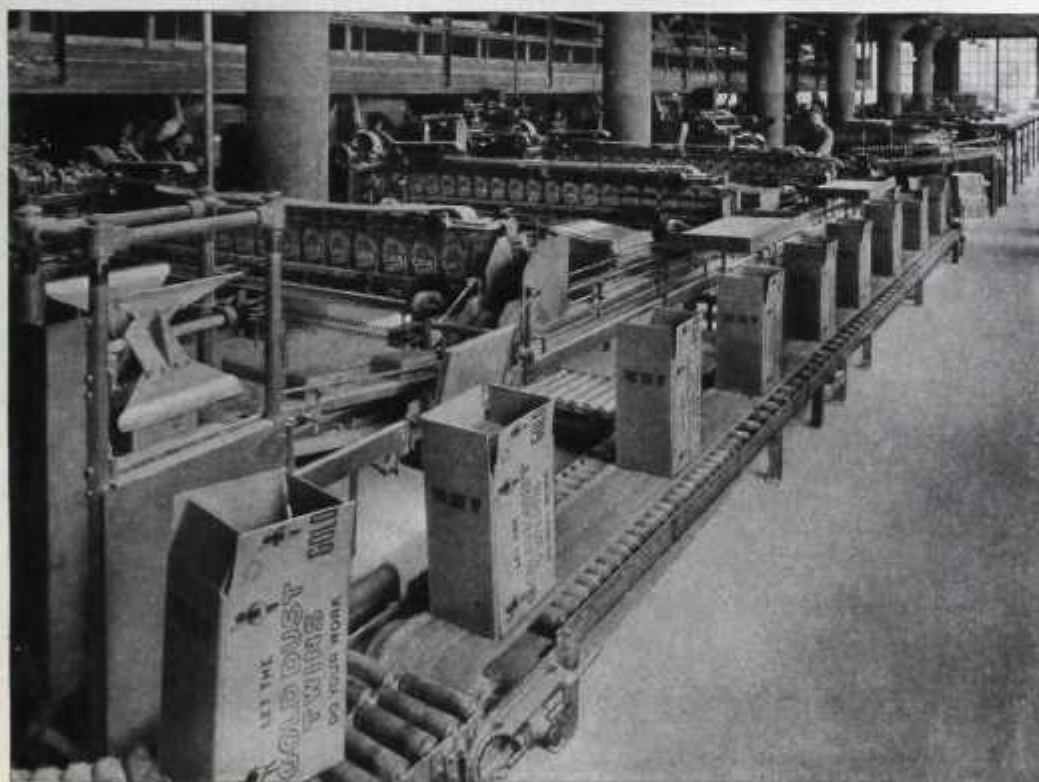
In hundreds of industries, Refrigeration has important jobs. It separates wax from oil, keeps rubber from vulcanizing in manufacture, preserves food in cross-country treks. It is indispensable in baking, rayon-making and many chemical processes. No hotel, hospital or theatre is truly modern without it.

Always, however, its ultimate purpose is the same... to increase profits by developing new or better processes,

by speeding manufacture, saving time, cutting costs or increasing clientele.

For fifty years York has pioneered Mechanical Refrigeration to these hundreds of industries. The first-hand knowledge, the technical information and operating data accumulated during this half-century can be of tremendous economic advantage to you. They are incorporated in York Engineering service... which you are invited to use for a study of your refrigerating problems. York direct factory branches are in 71 U. S. cities. Communicate with the nearest to you.

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York Refrigeration creates the cold which transforms Gold Dust from paste to powder. This is but one of the hundreds of ways in which York Refrigeration speeds manufacturing, increases efficiency and builds profits.

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## REFRIGERATION



# New profits for 1931

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Of the American buyers who once visit a Leipzig Trade Fair, 95% repeat their visits. This is strong evidence that your firm should be represented. You can shop all the markets of Europe and Asia in one week's time!

Merchandise managers find prices which guarantee profits—and a host of articles their competitors do not have. 7,500 firms exhibit merchandise—both standard lines and a host of novelties which make profitable leaders and best sellers. Many items can be styled to your own specifications. All exhibits are conveniently grouped to save you time.

Manufacturers find new machinery and equipment with which to lower production costs and raise profits. 2,500 firms exhibit engineering and building equipment—including building and construction equipment and sanitary engineering; welding engineering; iron and steel products; mechanics' tools and materials; semi-finished products; machine tools for metal, wood, glass and similar materials; machinery and apparatus for food and food luxuries; machinery for textiles, paper and similar products and for the graphic arts; power machinery, heating, foundry and gas fuel engineering; pumps, compressors and conveying equipment.

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lines.) And there is a considerable dash of red in Wyoming, Montana, the Dakotas and southeastern New Mexico and more than a dash in California.

But more interesting are the long red lines shooting out from the gas areas to distant cities in all parts of the country. On the map, Atlanta, Memphis and St. Louis are terminals of lines running from the Monroe field in Louisiana. Chicago and Minneapolis are terminals of red lines running from the Texas Panhandle and signifying gas lines to be built. Denver, Boulder City and Colorado Springs are the terminals of other lines from the southwestern fields.

But, assuming that great supplies of natural gas have been tapped and that the gas is useful in industrial centers and that financiers see an inviting field in its distribution, then what other element has contributed to the rapid growth in the last few years—or, more strictly, in the last year to the rapid growth of the pipe-line industry?

### Better pipe and welding

BETTER pipe, better methods of welding pipe and better methods of handling it in the field constitute the answer. It is the old story of manufacturers, engineers and chemists battling to reach the highest perfection in their particular industry. They are relentless. If other lines of business face extinction as a result of their careful and intelligent work that is no concern of theirs.

The most remarkable development perhaps has been in the pipe-line joints. After 1926 the acetylene-welded joint came into use. At first there was trouble with this weld, but it is said now that pipe-line scrapers have been put through 600 miles of pipe with acetylene-welded joints and in no case has a scraper been held up by "icicles" at the welds. Then came the electric weld, and the trend now is in favor of this method. There is a minimum of leakage of oil with such a weld and therefore less corrosion, which leaks in a pipe-line ditch hasten.

Three years ago, before the acetylene and electric weld came into use, the industry was using the lap-welded pipe exclusively—that is the longitudinal seam of the pipe was lap welded. Then came into use the seamless pipe, made by taking a cylindrical bar of steel and, when at the proper temperature, discharging it from the furnace to the piercer. A piercing point, applied at the centered end, forces a hole through the entire round, which is elongated at the same time. Seamless pipe was greatly in vogue but the engineers and manu-

facturers were battling and as a result there appeared on the scene the pipe with electrically welded longitudinal seams. This pipe also has proved satisfactory and now is being used extensively.

As a result of the improvements in seamless pipe and new methods of welding longitudinal seams and joints, it is possible now to lay lines of strong pipe two feet or more in diameter for hundreds of miles with little trouble from split joints, poor welds or burned areas.

Pipe lines, to be serviceable, must be strong, smooth, air-tight and capable of resisting great pressure. That is the kind of pipe the new methods are providing and these are characteristics which give rise to the possibility of solid freight transportation *via* these lines.

The last three years in the pipe-line business have been a period of transition. Not only have methods of pipe manufacture and laying been improved but also there has been progress in other and related lines. In the gathering systems in the oil fields there has been a trend toward the use of pumps driven by gas and gasoline engines rather than steam. During the last three years the air and gas lift have been developed for bringing oil up from deep wells. Recovery methods are being used to obtain petroleum still left in the oil-field sands. By new drilling methods a well 6,000 feet deep can be put down in 40 or 50 days. All this progress has aided in solving the storage problem. In all probability few tanks will be built in the future at the place where the oil is produced, for storage costs 20 cents a barrel a year.

### Pipes can be patched

OF COURSE pipe lines face other problems, corrosion and consequent leakage being one of them. But this problem is being solved. Where formerly the corroded lengths were cut out, they are now being patched by splitting sections of pipe, placing them around the damaged sections and welding the splits and circumferential joints.

The process is economical, for the patching material is usually obtained from the scrap pile.

Thus with the work of engineers and chemists the railroads have a new and growing competition, one which may prove as serious as bus competition (100,000 passenger buses now run over 700,000 miles of hard-paved roads, paid for with the taxpayers' money) or truck competition or that of the inland waterways, also developed by public monies.





# OF COURSE *you can do without it!*

IT IS ONLY HUMAN for an advertiser occasionally to challenge the necessity of including THE SATURDAY EVENING POST in his schedule.

Sometimes he tells us about it, saying with a kind of defiant pride: "I guess my business can get along without your magazine."

Bless your heart, of course it can! *But why should it want to!*

YOUR business can get along with inefficient buildings and equipment.

Your business can get along with old ideas stifling new.

Your business can get along with poor location, inept production management, uninspired sales direction, tepid advertising.

Many do.

*But the most progressive, most successful, most profitable businesses don't!*

ADMITTING that you can do without THE SATURDAY EVENING POST — where is the gain in denying yourself its unique and tested advantages?

Where is the wisdom in sacrificing *time, money, effect* in attempting otherwise to reach those intelligent and substantial American homes that The Post *does* reach — that hub *three-million-families-strong* that turns the taste, thinking, *buying* of the nation?

The ablest advertisers settled all that long ago; they *use* The Post.

That is why this magazine stands head and shoulders above all others as carrier of advertising for the leaders of American business!

## THE SATURDAY EVENING POST

"AN AMERICAN INSTITUTION"







**INSULL UTILITY  
INVESTMENTS, INC.**

**CORPORATION  
SECURITIES CO.**  
OF CHICAGO

**T**HESE companies were created to acquire and hold as investments, enough of the securities of the Insull Group of Public Utility Properties to insure continuity of policy and management throughout the Group. As stated by Samuel Insull, their founder, they were organized "to establish some rallying point of ownership and friendship for the various companies with which my name is associated."

Adhering to this policy, more than ninety per cent. of the holdings of *Insull Utility Investments, Inc.*, and *Corporation Securities Co., of Chicago*, are in the five major companies of the Insull Group, namely, Commonwealth Edison Company, of Chicago; The Peoples Gas Light and Coke Company, of Chicago; Public Service Company of Northern Illinois; Middle West Utilities Company, and Midland United Company.

Stocks of both *Insull Utility Investments, Inc.*, and *Corporation Securities Co., of Chicago*, are listed on the Chicago Stock Exchange, and participate in the earnings of the companies of the Insull Group.

*The properties in the Insull Group are fully described in Booklet NB1 which will be sent upon request.*

**INSULL UTILITY  
INVESTMENTS, INC.**

**CORPORATION  
SECURITIES CO.**  
OF CHICAGO

72 West Adams Street,  
Chicago, Ill.

## Recreation and Current Problems

**P**UBLIC recreation was tied in with current public problems at the recent Congress of the National Recreational Association at Atlantic City, attended by some 7,000 delegates. Recreation executives considered the immediate task of giving work on playground and park developments to as many unemployed as possible. Public recreation opportunities should be increased in time of business depression, it was declared, and wholesome play was advanced as one of the means by which the strain of unemployment might be eased for both the man out of work and his family.

Clarence E. Brewer, recreation commissioner of Detroit, pointed out that "recreation promotes community peace and harmony. If the working man has an opportunity to leave the toil and drudgery of the shop or office on the playground, he will not carry his grouches home to the family, causing discontent and quarrels."

He added that it is of vital impor-

tance to the community how leisure hours are spent.

Other delegates explained the necessity of planning ahead for recreation areas. One explained the necessity for recreation areas in city districts in order to keep the population from moving to suburban towns and causing a loss in value of city property.

"Every dollar spent for organized recreation will reduce by 50 per cent the financial burden communities would otherwise be forced to assume for the care of social misfits," Dr. Leo J. Palmer, superintendent of the New York State Reformatory for Women, said. "Criminologists are hopeful that supervised and organized recreation will reach every nook and corner, particularly of our congested urban areas, where too often crime is bred."

Gene Tunney, ex-pugilist, predicted a superrace of humans if playground and recreation movements have proper direction during the coming years.

—W. L. H.



WIDE WORLD PHOTO

Western Washington will draw 200,000 horsepower from this location at Rock Island on the Columbia River, where an \$18,000,000 hydroelectric development is in process of construction



# SPEED STATIONERY

## for this age of speed

### Rediform Interleaved saves 25 to 50% in multi-copy typing



1 Typing is almost 100 per cent continuous with Rediform Interleaved. When one set is completed the next set is already in position.



2 Removing the set of forms after typing is accomplished with one easy movement of the hand.

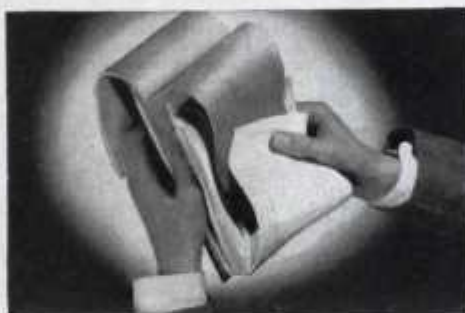


3 Removing carbon sheets from a set of forms is a matter of one little pull at the corners—all sheets come out at once because of the clipped corners—a special feature of Rediform Interleaved.

LOOSE forms and loose carbons have had their day. It is no longer necessary to use multi-copy forms that have to be picked up one at a time, interleaved with loose carbon sheets, jogged, placed in the machine, adjusted for typing. These five operations, unavoidable with loose forms and loose carbons, pass out of the picture when you use Rediform Interleaved, the new Speed Stationery for this Age of Speed.

Rediform Interleaved multi-copy forms are always ready to type. They are in continuous lengths, folded zigzag in flat packs, with carbon paper in continuous lengths interleaved between forms. As illustrated at the left, the operator types the set of forms, removes from the machine, slips out carbon sheets . . . and immediately types the next set.

Invoices, bills of lading, purchase orders, production orders, and similar forms can be written in from 25 to 50 per cent less time this way. Let a Rediform representative demonstrate.



. . . and  
**SPEEDIGRAPH BOOKS**  
for hand-written records

Rediform **Speedigraph** Books take lost motion out of hand-written records just as Speed Stationery does from typewritten records. They are supplied in a complete range of types and sizes, serially numbered if desired, with or without bound carbon sheets.

**AMERICAN SALES BOOK COMPANY, Limited**

EXECUTIVE OFFICES: ELMIRA, N. Y.

Factories: Elmira, N. Y. Niagara Falls, N. Y.

Sales and service offices in 60 principal cities

TRADE MARK  
**Rediform**  
SPEED STATIONERY  
AND SPEED FORMS

Detach this slip and mail to American Sales Book Company, Limited, Elmira, N. Y., with letterhead or business card and samples of forms you are now using. You will receive samples and full information regarding applications of Rediform Speed Stationery and **Speedigraph** Books.

N. B. 2-31



# THE EYES HAVE IT

What we see,  
we remember.



What we remember, we use

**I**F you want your engineers and key men to see equipment which will lower your production costs, reduce your payroll, improve your product and open new market possibilities—if you want your men to bring you these ad-

vantages—send them to the Exposition of Chemical Industries in New York. A week there is a post graduate course in process engineering—through the eyes for immediate use. Send your best men—include yourself.



## Thirteenth CHEMICAL INDUSTRIES Exposition

Management International Exposition Company

## FOR LUXURIOUS SHADE

### Plant the Beautiful— Hardy—Fast Growing CHINESE ELM

(North China Strain)

Plant this Spring and enjoy abundant shade in a few short years.

The tree shown is growing at Sodus Point, New York, on Lake Ontario. When planted three years ago it was a little whip 4 feet tall. Last August it measured 17 feet high, with a branch spread of 10 feet and a 4 inch trunk.

The Chinese Elm is the fastest growing tree we know. It thrives anywhere, in any kind of climate, from Arizona to Saskatchewan. One of the first trees to leaf out in Spring and the last to shed in Fall. A tree of rare beauty and symmetry, resisting drought and cold, and flourishing in poor soil. It is ideal for planting on new developments, subdivisions, streets, in parks, for windbreaks, screens and as individual lawn shade trees.

**CAUTION!** Be sure to buy only the hardy North China Strain, endorsed by the U. S. Department of Agriculture. Cheap Chinese Elms from seed gathered near Nanking have none of the fine qualities of the North China Elm, and results from planting them are disappointing. We grow only the hardy, certified North China Elm.

Our new Catalogue, beautifully illustrated in full color, describes the Chinese Elm, and a complete line of Evergreens, Shrubs, Perennials, Trees and Plants of every variety for large or small planting, all grown under rigorous climatic conditions at Rochester, N. Y.

An expert Landscape Department is at your service. Write for the free Catalogue today.



**Glen Brothers, Inc.**

1765 Main Street, Rochester, N. Y.

**GLENWOOD NURSERY**

Established 1866

"We furnish the home—outdoors"

### "THAT FELLOW BOTT"

Writes advertising that impels and appeals. Ideas galore. Clients in Alaska, France, Canada and throughout U. S. A. What's that about "a better mousetrap"? Send details of your proposition and we'll send ours. If you want that INSTANTANEOUS APPEAL, write—Dept. 11.

**Bott Advertising Agency**

LITTLE ROCK, ARKANSAS



### SOLID KUMFORT

Bentwood

FOLDING CHAIRS

for Every Purpose

WRITE FOR BULLETIN

LOUIS RASTETTER & SONS CO.

1412 WALL ST., FORT WAYNE, IND.

## How Leaders Met the Labor Crisis

(Continued from page 17)

purchasing power are two vital factors.

"The growing need to supply materials at low cost for the enormous population of the world has brought about the creation of vast industries. This has concentrated manufacture into large units and the question is properly raised as to whether the individual has the same protection under these circumstances. If management is alert and intelligent, large institutions can take better care of the individual than can numerous, small, widely scattered enterprises. In a large concern production can better be parceled out.

"Business, furthermore, has come to realize that its success depends ultimately on the consumer. Purchasing power is the keynote of prosperity. We have made enormous improvements in production methods but these are of little avail unless we promote with equal care the ability of the public to consume. Good wages and continuous wages are the fundamentals of purchasing power. To protect its own markets industry must protect the pay roll."

### No new employees hired

THE largest employer of labor in the domestic oil industry is the Standard Oil Company (N.J.). Walter C. Teagle, president of that company, points out that unlike most businesses, their sales in 1930 were substantially as large as in the previous year. For that reason, the unemployment problem has not been particularly serious with this company. To meet the situation it was decided some months ago that managers should hire no new employees, but so far as possible fill requisitions for men by transfers from slack departments. Over-time work was eliminated to give a more even spread of available time. To increase employment plant managers were asked to take care of dismantling, maintenance and repair work which had been postponed from busier times.

As a result of this policy, says Mr. Teagle, most of the company's employees have been working full time. In those few centers where there has not been work for the entire force the employees cheerfully accepted part time in order that none of their fellows should be thrown out of work.

In the relatively few cases where this policy did not cover all employees and where it has been necessary to lay off



# SATURDAY NIGHT



## *It's no longer Punishment to take a bath*

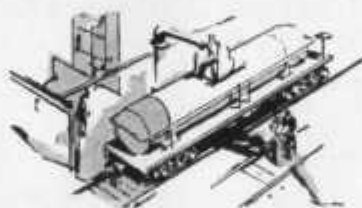
Soap. In grandmother's day it was strong, harsh and cruel. Tender skins smarted and burned under it and there was no ordeal like Saturday night's bath.

Now many fine soaps can be had at small cost. They have been made possible largely by the genius of the men who invented the railroad cars which transport the oils, alkalies and fats of which most soaps are made. These men ushered in a new era of soap manufacture and the coarse product of the home and crude factory disappeared.

Every one of the hundreds of cars built by General American was

designed to solve transportation problems created by man's advancement and changing times. Without them we would not have many of the things that make life so comfortable.

The building of all kinds of railroad cars—tank, refrigerator, milk, express, stock, gondola and others—is but one phase of General American's diversified activities. It maintains, in addition, a vast fleet of 40,000 cars which it leases to shippers throughout the country . . . also a large export terminal for the storage, loading and packaging of all bulk liquids, besides operating an extensive European freight transportation system.



No matter what you are shipping, you will find it profitable to confer with our engineers. Railroad transportation is always dependable and a railroad car can be built to carry any commodity in bulk. Write or wire, Continental Illinois Bank Bldg., Chicago.

**GENERAL AMERICAN TANK CAR CORPORATION**  
*"a railroad freight car for every need"*

When writing to GENERAL AMERICAN TANK CAR CORPORATION please mention Nation's Business



# PAGE FENCE in 4 Metals



**There  
are sound  
economic reasons  
for 4 metals in fencing**

**I**N Industry there is no such thing as a "Good all-around fence." The right selection for one locality would be foolish extravagance in another. J. Wallace Page knew that, way back in 1883, when he started building fence intelligently adapted to conditions under which it is used. And PAGE Engineers have carried on for forty-eight years.

PAGE H-Beam Line Posts of hot galvanized high carbon steel offer distinct advantages, but tubular posts are furnished where preferred.

To make PAGE Fence last longer it is now made in four different metals, each the best for certain atmospheric conditions.

1. Page Alcoa Aluminum
2. Page Armco Ingot Iron
3. Page Copper-Bearing Steel
4. Page Ornamental Wrought Iron

76 Service Plants erect PAGE Fence everywhere. Write for name and address of Plant in your locality. They will gladly consult with you and offer suggestions from plans to final erection. No obligation whatever. Complete descriptive literature on request. Address Page Fence Association, 520 North Michigan Avenue, Dept. D83, Chicago, Illinois.

## PAGE

Page Fence is a Product of The Page Fence of America Company of American Chain Co., Inc.



Page Fence of America Page Fence follows its customers with Page

## FENCE

**CHAIN LINK OR ORNAMENTAL WROUGHT IRON**

men permanently through no fault of their own, such men have received a cash allowance to take care of them during the time they were seeking work elsewhere.

Another oil company has found it necessary to take care of slackened activities, to work a shorter week in some units instead of laying off employees. No reduction in salaries or wages has taken place, and at the present time this is not anticipated.

### Part of staff dropped

THE American Rolling Mill Company of Middletown, Ohio, has not reduced wages according to Charles R. Hook, president, who explains that everything possible has been done to distribute existing work without seriously affecting efficiency. Realizing that this depression was not to be short-lived, the company laid off part of the staff. In one department where the process has been changed radically and the number of men would be tremendously decreased the company adopted a plan of finding new jobs for employees who have been with the company for more than one year.

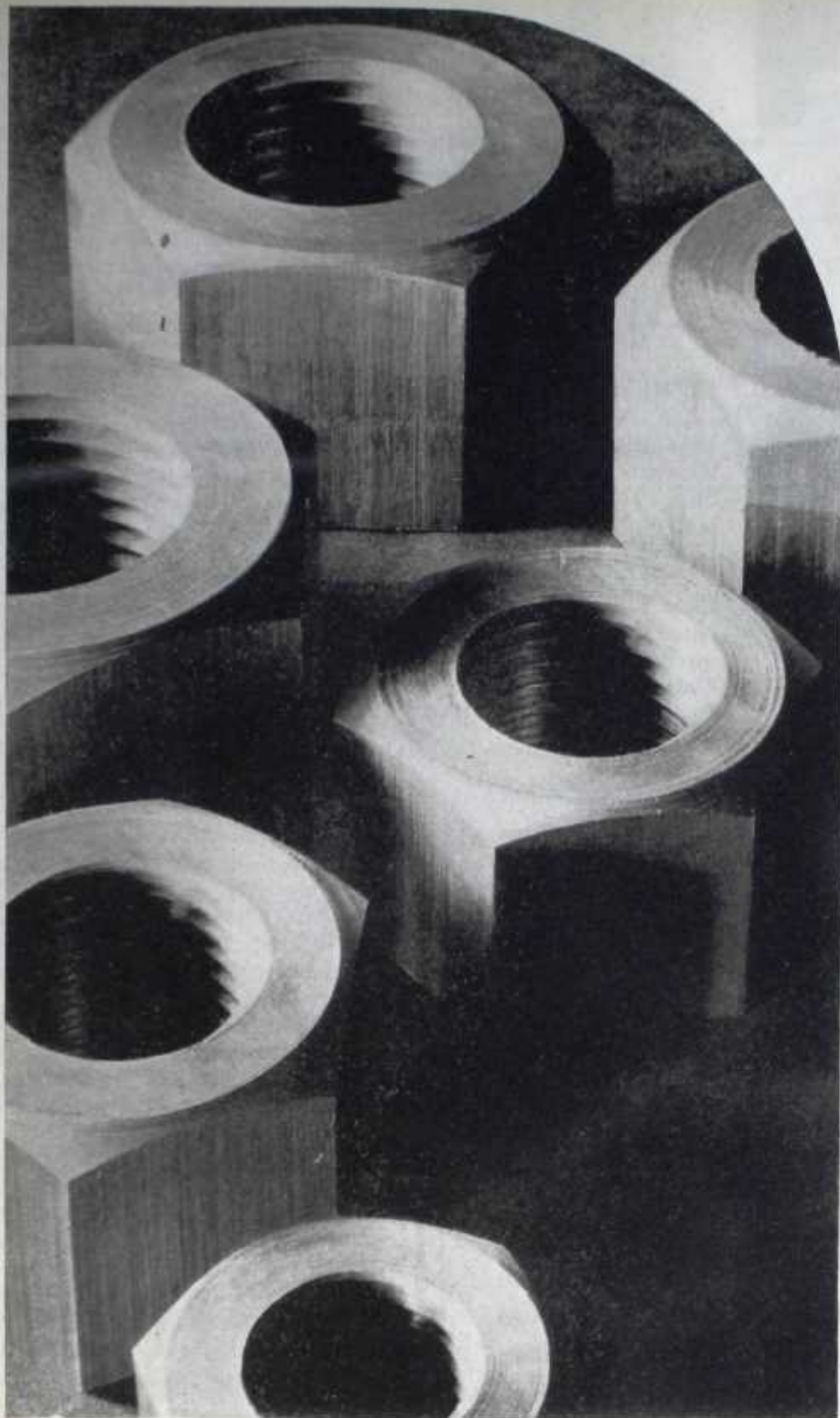
The cash settlement plan, one of the most generous yet announced, provides that men who are not placed will be given half pay for as many months as they have years of service but not more than six months with the minimum of \$60 per month.

Charles R. Towson, of Deering, Milliken and Company, Inc., says there has been no general lowering of wages in their associated industries recently. The company's policy would be against such a move. He explains that some employees have been put on a part-time basis to balance production with demand. In case permanent reduction of the force is necessary, the Deering Milliken Company would first eliminate those who could be placed elsewhere. In addition, a gradual elimination of the less efficient may follow. The management is making special efforts to provide maximum employment.

Mr. Towson adds that during the last two years, the Silver Bay Association, instead of laying off the men when cold weather made outside work difficult, has assured its employees that no man need be laid off. All are given the opportunity to go into the organization's forests and cut cord wood at a remunerative rate. Thus the employees are protected from unemployment.

The director of industrial relations of a rubber company which normally employs many hundreds of men reports that his firm has adopted no general





BOURKE-WHITE PHOTO

### RUSSELL, BURDSALL & WARD BOLT & NUT COMPANY

BIG NUTS are not difficult to make, but their production in large volume according to rigid specifications requires an alert organization and specialized machinery. R-B-W customers who use big nuts re-order from us year after year because they are satisfied with the uniform quality of the product and the savings realized by our large-scale production. If you have a manufacturing problem involving the use of big nuts, R-B-W probably has the answer.



Look into this possibility for important savings in your bolt and nut costs. R-B-W service and skill in the design and manufacture of EMPIRE bolts and nuts have been the means of saving thousands of dollars annually for our customers. "You saved us 18 cents a nut, and gave us a better job," a famous locomotive manufacturer wrote us after using his initial order of EMPIRE regular-finished nuts. New standards and new

records of time-saving are meeting the exacting demands of American industries. This outstanding service is assured every user of R-B-W EMPIRE bolts and nuts. Inquiries involve no obligation. Address our nearest office... Russell, Burdsall & Ward Bolt & Nut Co., Port Chester, N. Y., Rock Falls, Ill., Coraopolis, Pa. Sales offices at Philadelphia, Detroit, Chicago, San Francisco, Los Angeles, Seattle, Portland, Ore.





## Abused Feet Age Fast

THE secret of good feet is . . . shoes. If your feet tire easily, or bother you at all, wear the Arch Preserver Shoe. This is the original and only ARCH PRESERVER shoe. More men wear it than any other arch shoe. Its features are patented, therefore never successfully duplicated. Custom styles, \$12.50 up. Red Label styles, \$10.00 up.

**Wright**   
**ARCH PRESERVER SHOE**  
FOR MEN

E. T. WRIGHT & CO., Inc.  
Rockland, Mass.

Made in Canada by Scott & McHale,  
Ltd., Licensee, London, Ont.

Made for women, misses and children by only The Selby Shoe Company, Portsmouth, Ohio

## Muscle Shoals

EVERY BUSINESS MAN should have a thorough knowledge of the facts if this recurrent political issue is to be promptly and wisely settled. The facts about Muscle Shoals, government ownership, regulation and five other major subdivisions of the power question are admirably summarized without bias in "National Aspects of Water Power Development" just published by the Chamber of Commerce of the United States. The report contains 179 pages, tables and charts, general and marginal indexes.

ONE DOLLAR A COPY.

NATURAL RESOURCES PRODUCTION DEPARTMENT  
Chamber of Commerce of the United States, Washington, D. C.

plan of wage reduction. This company has just previously concentrated its plants in fewer locations. This made a reduction of forces unnecessary because production had already been curtailed. In one of the lines a firm had operated on a four-day week before the present depression. This was done to retain a trained force for future needs as well as to give employment to as many people as possible in a small community.

### Seeking more efficiency

P. W. LITCHFIELD, of the Goodyear Tire and Rubber Company, of Akron, says that his company has not yet lowered the base rate for either common or skilled labor. Instead, it has steadily striven for increased efficiency. When piece-work prices could be reduced without lowering the base rates, this was done. The whole force has been put on part time to distribute work. The company started by shortening the number of days worked. First the men were required to lay off one day in seven, then one in six and, later, one in five.

"Recently we have been working steadily," says Mr. Litchfield, "on a four days per week schedule. Because of a business decline, four six-hour shifts instead of three eight-hour shifts were found necessary.

"It now seems that the bottom has been reached. In January we started operations on an eight-hour basis, five days a week.

"To equalize conditions in the salaried forces and the staff, we had to lay off about 20 per cent of our salaried men all over the world. We reduced the salaries of all those retained by ten per cent, which tends to let them take some share of the burden which our regular factory employees are taking through working short time.

"If conditions are such that we cannot stand this overhead, we may in the future adopt the practice which others are doing of working our salaried force part time and not paying them for the time off. We have not yet reached this point, and hope it will not be necessary.

"We consider the six-hour day in most cases economically unsound, but as the rubber industry in Akron employs the bulk of workers engaged in industry, we are permitting social conditions to govern, and are trying to keep as many men at work as possible.

"In the next three months we will probably be still further reducing our inventories of finished product, so that we hope soon to be in position to increase our output somewhat above the present schedule."



# Hitch your wagon to *a constant star*

AN OPEN LETTER TO THE SOBER-HEADED BUSINESS MEN,  
MANUFACTURERS, AND ADVERTISING EXECUTIVES  
OF AMERICA. . . . FIRST LETTER OF A SERIES

Check this statement in 1932



*The Literary Digest* does not subscribe to the theory of the half-gods of economics that now is the time for nervous men to take nerve and plunge.

This is no time to follow meteors or chase jumpy will-o'-the-wisps circling weird orbits in the advertising or investment fields.

Now is the time for all good business men to take thought soberly, not recklessly, and plan more carefully today than ever before, to the end of credit sustained and volume maintained through this important year of 1931. Sound thinking and judicious spending are the sure high-roads to success and surpluses.

*The Literary Digest* is known to students of the publication industry as the sounding board of American opinion more than any other single periodical in the history of the nation. Its finger laid on the pulse of the people has registered time and again the one sure index to the state of the nation as a whole.

"As *The Digest* goes, so goes America," is a national editorial maxim. Its pre-election and dry-wet polls have called the turn

successfully throughout this last sizzling decade. Checkers of advertising coupons regard this magazine as the possessor of the most responsive circulation sold today.

To you business men of America, builders of sales plans and placers of advertising orders, *The Literary Digest* says:

"Hitch your advertising wagon for 1931 to a constant star—the one great middle-of-the-road publication that year in and year out attracts to its subscription list the prosperous, sober-reading, sober-judging portion of the public whose firm dictums on merchandise, as on public men and events, most affect your sales curves."

These are the thinking people of steady income, sound resolve, and unvarying purpose to whom to appeal with equally sound arguments and unvarying sincerity, for sales patronage in 1931.

*The Literary Digest's* 1,400,000 guaranteed circulation will be with it in 1932, sheltered and fed and clothed and ready to buy more than of what they buy now. Present your story to them this year—they're responsive and responsible buyers.

"Sounding Board of American opinion"

"*The Literary Digest* is known to students of the publication industry as the sounding board of American opinion more than any other single periodical in the history of the nation. Its finger laid on the pulse of the people has registered time and again the one sure index to the state of the nation as a whole."



*The Literary Digest has shown that quality circulation does not necessarily come in small packages. By selecting its circulation from homes with telephones, it has grouped more than a million alert and active American families—proved responsive to advertising because their subscriptions were secured by advertising.*

*Over 70% of its readers are executives, owners of businesses or professional people. The Digest reaches 37% of all families with incomes of \$10,000 and up. Its list of subscribers is a roster of ready buyers in the upper income brackets.*

*For 1931, advertisers buy a guaranteed average circulation of 1,400,000 preferred prospects.*

## ★ The Literary Digest ★

S O U N D I N G   B O A R D   O F   A M E R I C A N   O P I N I O N





## "STANDARDIZING on this steam trap will save us thousands...."

**P**PIPE fitters and mechanics of a large Eastern company had reported that a certain trap worked much better than others. The chief engineer saw in this incident an opportunity to save his company thousands of dollars. He made a thorough test of all makes of steam traps. The company standardized on one—the Armstrong Inverted Bucket Trap. In many other cases executives of large and small industries have profited greatly by standardizing on Armstrong Traps.

Steam Traps, at first glance, might seem to be too small an item of equipment for an executive to investigate. Yet operating cost records on Armstrong Trap standardization often show savings so big as to be astonishing. A packing company was enabled to shut down

one of their two boilers after installing Armstrongs. Another company saves a car of coal annually for each Armstrong trap used . . . cutting their coal bill practically in half! In comparison to the savings effected, the cost of the traps is practically negligible.

Are you overlooking the opportunity to make similar savings in your own plant? It costs you nothing to find out what standardizing on Armstrong Traps will save you. You probably have some Armstrong traps in use already. If not, we will gladly send as many as you need for 90 days' free trial. We have an interesting booklet that tells you *why* Armstrongs save money, *how* they operate, and *why* more of them are in use than any other mechanically operated trap. Ask for your copy.

ARMSTRONG  
MACHINE WORKS



802 MAPLE STREET  
THREE RIVERS, MICH.

DISTRICT REPRESENTATIVES IN 42 CITIES

A well-known railroad president explains his company's stand as follows:

"First of all I may say that we have not reduced the rate of wages, nor is it our present intention to do so. Railroads do not manufacture goods; they simply serve others who do manufacture and produce. Consequently, when industry languishes, the railroads' business quickly reflects the situation. That is true in large measure so far as the train service is concerned.

"In other departments we have, of course, been obliged to reduce the number of men employed. This has been done in some instances by granting men furloughs, meaning that we would have no work for them until further notice but that they would be taken back before any new men were employed.

"In other cases, instead of laying men off or giving them furloughs, we have arranged for the entire force to work only five days a week, we will say, instead of five and a half or six, and in some instances our shops have been closed for a number of days each month.

### Employees are represented

"I MIGHT add that it is our practice in such circumstances to discuss the matter with the representatives of our men. We try to work out an arrangement that will be most satisfactory to them."

Another railroad executive, L. F. Loree, president of the Delaware and Hudson, equally well known for his interest in the well-being of his employees, says that his road has not reduced wages. Part of his force is working on a forty-hour week. Mr. Loree adds that no men have been discharged for lack of employment in the past few years.

The present situation is governed in the Dennison Manufacturing Company, according to Henry S. Dennison, to a considerable extent by the company's Unemployment Plan. When work is reduced in any section of the factory, the Unemployment Plan provides for:

1. The dropping from the rolls, without unemployment compensation, of any employees with less than six months' service.
2. The discharging of all employees whose work has not been fully up to standard.
3. The transfer of employees where possible to other divisions of the factory where there may be vacancies.
4. Temporary lay-offs which will be paid for out of the Fund at the rate of 60 per cent for employees without dependants, and 80 per cent for employees with dependants for all time more than one day a week, or two days a month.



"In carrying out the provisions of the Plan our force has been reduced about 20 per cent. Employees who left of their own accord accounted for about one-fourth of this reduction. The remainder were employees with less than six months' service, or those who were dropped because they were below standard.

"We have made no wage reduction, nor do we expect to take such action unless the situation should become much worse than it is at present."

ONE of the larger makers of electrical appliances has made no reductions in the schedule of wages, according to the company's vice president. He says:

"This question, I infer, applies to shop workers. Although we have not attempted to establish any general rule reducing the number of hours worked *per day* or the number of days *per week*, we have part time effective in many departments and we are trying to equalize the load by transferring from one department to another.

"Out of it all, we have been compelled to lay off a good many shop workers because of lack of work, but we are making every effort to retain regularly as many of our older, experienced employees as possible, by transferring from slack departments to those with a reasonable load.

"This applies to salaried employees or supervisory force. We have adopted the policy for the present of reducing this force to the 1928 basis. In our industry in 1929, business was exceedingly active and overhead naturally increased beyond all reason.

"With our 1928 overhead reestablished we believe that, as business resumes, we will be able to care for the increase through more economical means, though it is, of course, obvious that such a program will leave on the market a large number of persons without employment. This, from my viewpoint, represents one of the major problems for industry's consideration at this time.

"We must be continually on the alert for new developments which will absorb labor and, at the same time, advance civilization."

It is no exaggeration to say that the whole world is looking to the industrial leaders here quoted, and to others in their class, for a possible solution to the problem of maintaining employment. Perhaps, from the policies now being worked out, measures valuable for future emergencies may evolve. What is expedient today may be common practice tomorrow.

*Let us prove to you..*

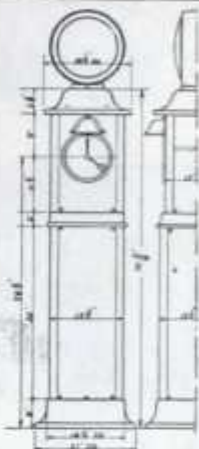
## WHAT WE PROVED TO THE MAN WHO BUILDS PUMPS

1



*The old, high-cost, product  
Weight 600 lbs.*

2



*Redesign—with the help of  
YPS Engineers—of new,  
low-cost product.*

3



### RESULTS:

This manufacturer says, "The old-style pump weighed 600 lbs. The new style weighs 360 lbs." **SAVED—240 lbs.** of dead, useless, weight. Greater strength, greater eye-value, more sales and more profits.

*The finished product  
(Stampings by  
YPS) weight  
**SAVED**  
240 lbs.*



### WRITE

May we do for you what we have done for many, many others? A survey costs you nothing. Does not obligate you in the slightest. Write for free booklet "Adventures in Redesign"—it tells the story.

*"Press it from Steel Instead"*

## YOUNGSTOWN PRESSED STEEL CO.

307 UNIVERSITY ROAD

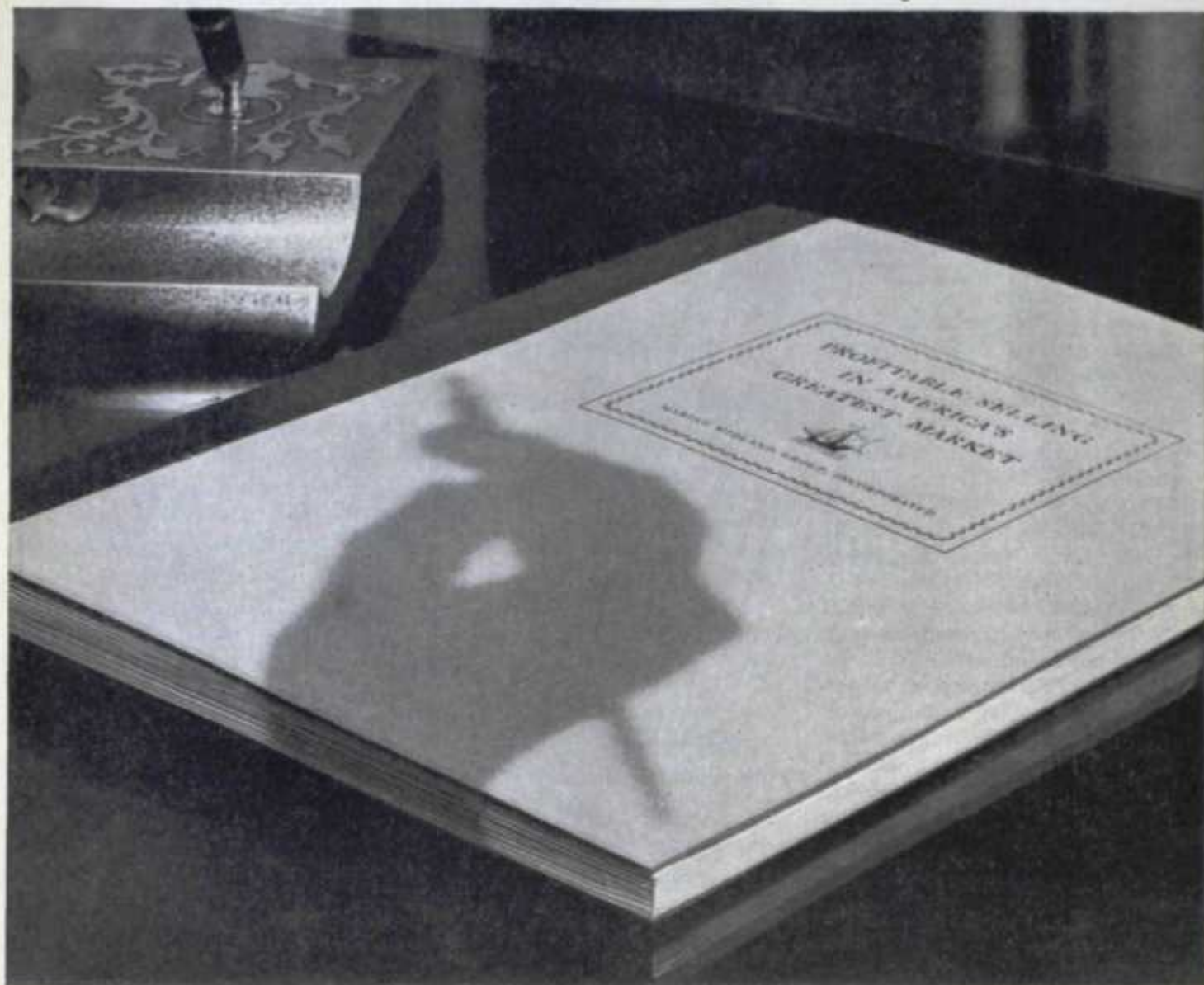
WARREN, OHIO

A COMPLETE ENGINEERING & MANUFACTURING SERVICE

*When writing to YOUNGSTOWN PRESSED STEEL CO. please mention Nation's Business*



# A N N O U N C E M



***The 16 New York State banks that compose the Marine Midland Group are:***

NEW YORK CITY.....Marine Midland Trust Company  
 TROY.....The Manufacturers National Bank of Troy  
 BINGHAMTON.....Peoples Trust Company  
 JOHNSON CITY.....Workers Trust Company  
 CORTLAND.....Cortland Trust Company  
 ROCHESTER.....Union Trust Company  
 ALBION.....Orleans County Trust Company  
 LOCKPORT.....Niagara County National Bank & Trust Co.

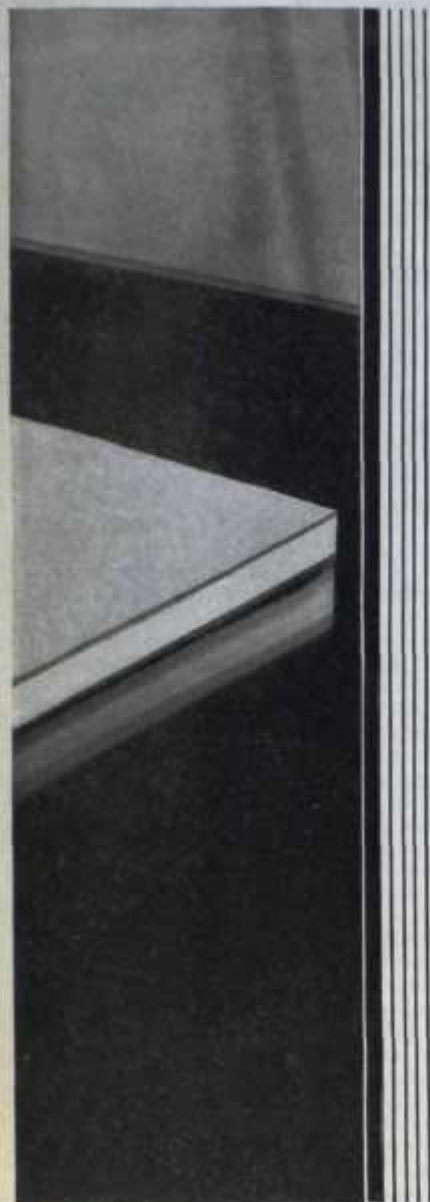
BUFFALO.....Marine Trust Company  
 EAST AURORA.....Bank of East Aurora  
 JAMESTOWN.....Union Trust Company  
 LACKAWANNA.....Lackawanna National Bank  
 SNYDER.....Bank of Snyder  
 TONAWANDA.....First Trust Company  
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*When writing to MARINE MIDLAND*



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We have listed the directors and officers of all the Marine Midland banks with their affiliations in nine hundred and fifty-three other concerns.

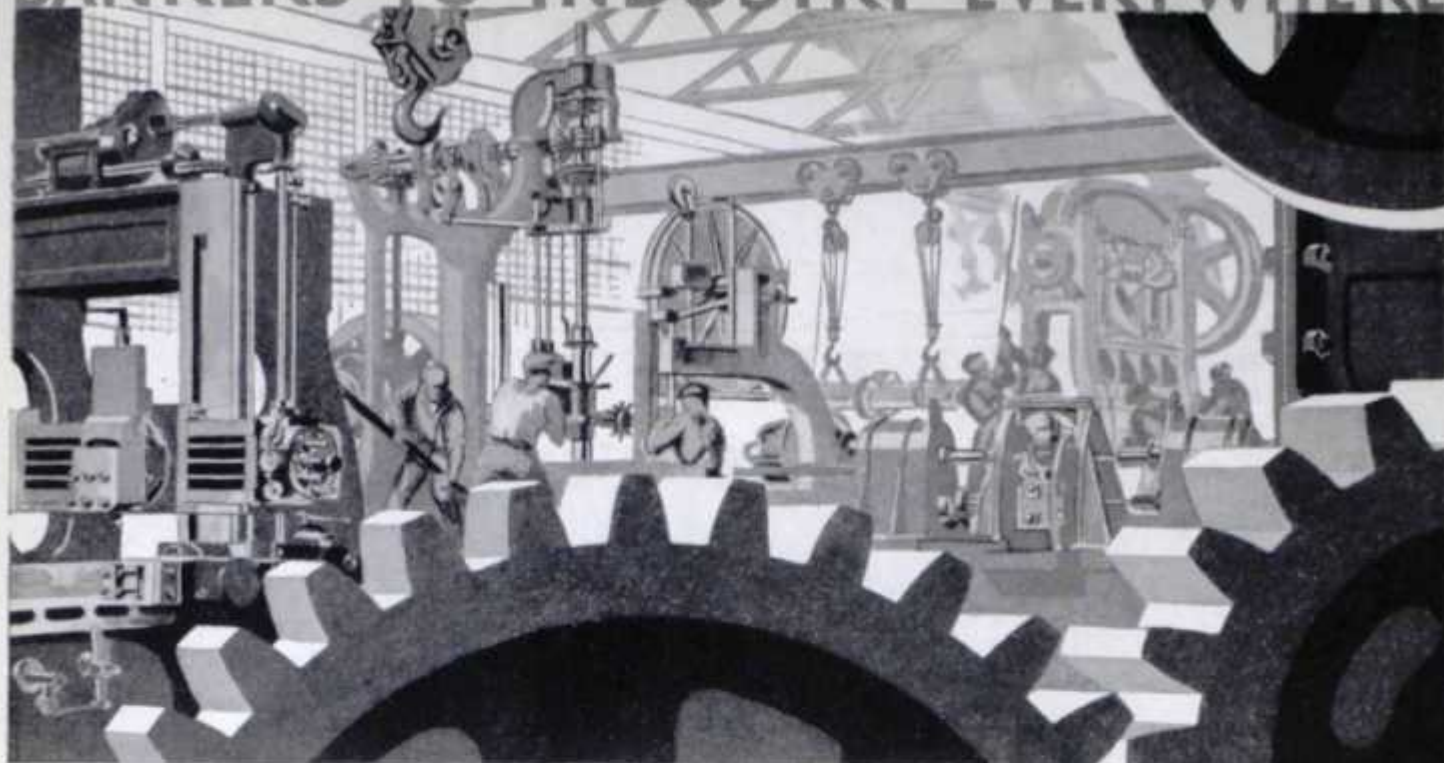
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# What Wall Street Is Talking About

By MERRYLE STANLEY RUKEYSER

**B**USINESS is now passing through the long arctic night of the depression. But any sane viewpoint must reckon with the fact that dawn has always followed the longest night.

Seasonable factors are fused with cyclical circumstances in heightening the pains and suffering incident to unemployment. Moreover, we are in the midst of the period when the anticipated reports of adverse earnings of corporations in 1930 are coming out. The blunderer will be unduly influenced by the immediately visible black clouds, whereas the experienced executive and investor will look beyond the immediate present to the probabilities for the near-term future.

Anticipating another challenging year of gradual and irregular recovery, they will be heartened by the assumption that the first quarter of 1931 is likely to prove the worst of the four. There is growing evidence that the next major movement in business is likely to be upward. As the debris of the economic storm is cleared away, sober observers are leaning increasingly to the view that the disturbance is only a passing phase, which will lay the basis in time for renewed economic progress and flourishing times.

AS Frederick Macaulay, of the National Bureau of Economic Research, remarked to me after reading the business charts, there are unusual time lags in this cycle, but there is every reason to believe that the ameliorative forces are slowly at work.

As a matter of fact, the significant aspect of business cycles is their peculiar irregularity, which makes precise time predictions on the basis of the past performance hazardous. If it were not for such irregularities crises would be averted, for modern man can prevent any disturbance which he clearly foresees.

He can, for example, hold over food-stuffs from the productive season to the nonproductive season. He is perplexed only by turns in the wheels of chance which cannot be definitely foretold.

LIKE the theoretical economists, executives of great corporations and the out-

standing banks feel confident that recovery is feasible, and is slowly in the making. Meantime, curbstome economists who, during the late boom, sang a chant to the effect that "it ain't gonna rain no more" have now reversed their tunes, and are telling the world that the sun of prosperity will never emerge again.

Alfred P. Sloan, Jr., president of the General Motors Corporation, in discussing this problem with me, remarked:

"We can rely on the fact that we are out of adjustment rather than that we are facing an economic revolution—an adjustment such as we have faced and gone through many times in our previous industrial history, which means, of course, that we are simply passing through a valley, the length of which is certainly far less than infinite, or in other words, the end is a definite fact."

A LEADING New York banker said, "I expect conditions at the end of 1931 to be a good deal better than they were at the end of 1930."

One of his chief competitors remarked:

"I think at home we have turned the page on most of our domestic economic mistakes, and have a clear view of the ills resulting therefrom. To feel that the fever is out of the system and that the patient is certain to get well again is about all we can expect for the next quarter year, it seems to me, and personally I have unbounded faith in the extraordinary, recuperative power of this country and its people."

E. W. Kemmerer, of Princeton, the world's most famous monetary pathologist, told me:

"I believe that long-term business recovery is to be expected and that this recovery will get well under way during the year 1931."

S. S. Huebner, University of Pennsylvania authority on speculation and insurance, pointed out:

"As a matter of fact, if retail prices and wages could be liquidated as nearly everything else has been liquidated, we would emerge from the present depression very swiftly. But of course everybody is resisting deflation in these two



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important particulars, and this means of course a longer drawn out affair than would otherwise be the case."

Arthur Reynolds, chairman of the Continental Illinois Bank and Trust Company, of Chicago, revealed:

"The future rate of growth I cannot predict, any more than I can state the exact time and extent of business recovery in 1931. But I do believe that we shall see some degree of business recovery during the new year."

Paul H. Nystrom, Columbia University authority on the economics of distribution, remarked to me:

"Consumption has been curtailed, the purchase of many classes of goods postponed, but it can only be a matter of a few months more before ways and means will be found of making the contacts between consumers and their working energies, on the one hand, and the productive mechanism, on the other."

Royal Meeker, formerly of the United States Bureau of Labor Statistics, told me:

"Of course business will recover from the present depression. Recovery is just as certain as sunrise except for the exact time of recovery."

Willford I. King, leading economic statistician, in giving me his views, said: "Past experience would indicate that we are likely soon to be climbing up the hill again."

A leading public utility operator of the Middle West, said:

"One can only judge of the future from the experience of the past. Since the commerce of the world began, periods of depression have been followed by periods of prosperity, and I see no reason for thinking that the future will belie the past."

George M. Verity, thoughtful head of the American Rolling Mill Company, offered this comment:

"As far as I have any understanding or belief in the matter, I feel that a long-time full recovery of established business is as certain as that the night follows the day. I am further satisfied that in the ten-year period following our return to normal we will make progress equal to or greater than in any similar period in the past."

Edward A. Filene, Boston merchant, concludes:

"The long-run general direction of the line of United States prosperity is upward, and will continue upward. The immediate direction is downward, and will probably not rise within the next six months."

Charles W. Gerstenberg, economist and chairman of the board of Prentice-Hall, Inc., publishers of business books,



ventured: "If some unprecedented and untoward event does not happen, I should expect things to become quite normal at about the middle of 1931."

In other words, observers who think we are at the end of the rainbow are out of tune with the canvass of opinion of these experts.

An outsider, however, a political scientist, told me that he thought the bear market would start in 1935. Differences of opinion make horse races and stock markets, and are a symptom of economic normalcy.

MARKETWISE, railroad stocks have been especially slaughtered on the theory that, though they share completely in depression, they do not participate fully in the fruits of prosperity. I am aware of all the disadvantages of the railroads in the matter of a retarded growth factor, scarcity of venturesome management, and the stifling effect of excessive regulation and of new competition, yet I think that at the turn of the year the stocks of the strong railroads had fully discounted the adverse factors affecting them.

There is a remarkable opportunity for venturesome managers to step into railroading and lift the carriers from their lethargy, envisaging the railroad companies as transportation companies, rather than as mere steam railroads. This would entail absorbing bus lines, trucks, airplanes, and ships, giving a coordinated, economic service, including store-door delivery of freight.

If the laws stand in the way of such integration, they should be promptly repealed, and legal obstacles to economic mergers should also be removed. Railroad opportunities are currently as inviting as they were after the last major depression when the Van Sweringens stepped in with their modern ideas and spirit of adventure.

A leading nonspeculative railroad head of the East, in discussing with me what needs to be done, said:

"I do not know of anything that the Government can do; at least I would prefer that the Government should do nothing so far as the railroads are concerned at the present time. I do think, however, that in the not distant future the Government should consider seriously the questions arising from the operation of motor trucks and buses on improved highways, as well as the operations on the inland waterways, all of which agencies compete with the railroads.

"Formerly, when the railroads had a monopoly of transportation by land, it



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was considered necessary that they should be regulated in the public interest. They have no such monopoly today and it seems to me that the degree of regulation imposed upon the railroads during the period to which I refer should be eased or reduced under existing conditions, or else other transportation agencies should be subject to the same kind of regulation.

"Please understand that I am not one of those who would do anything, or ask to have anything done, to interfere with the development of the motor truck, motor bus, the extension of our improved highway program, or the economic improvement of our inland waterways. I think the people of the country are entitled to have the best transportation agencies that can be procured.

"I do not think, however, that certain kinds of agencies should be favored as against others. The railroads should be treated on exactly the same basis as the improved highways, motor buses and inland waterways, and if it develops that under such treatment the railroad is no longer desired and has outlived its usefulness, then it will have to go the way of the ox-cart and no one connected with the railroad will have any just right to complain.

"I repeat, however, that I do not think our problem should be made more difficult by the Government imposing restrictions upon the railroads that are not imposed upon other competing agencies of transportation."

I THINK the time has come to consider taking hobbles off industry, too, insofar as they interfere with economy and coordinated, rational direction of business. President Hoover and Thomas W. Lamont, of J. P. Morgan & Company, have hinted that Congress should review the antitrust laws in the light of modern conditions.

If our economic society is to be spared devastating crises, it behooves us to scrap economic delusions, misconceptions, prejudices, and obsolete notions, which cannot bear rigid scrutiny under scientific analysis.

RETAIL sales last year held up better than production, indicating that shortages have been in the making. One of the world's biggest retailers, Gen. R. E. Wood, president of Sears, Roebuck & Company, told me:

"Our sales are running approximately 20 per cent behind in dollars and cents. I cannot tell you how they compare in

physical quantities. I believe that consumers are especially sensitive at this time to price appeal. Staple goods are most in demand, especially goods that go directly into consumption."

PRESIDENT HOOVER'S failure to play the rôle of an economic colossus and hold up prosperity single handed does not discredit the general idea of attempting to mitigate the swings of the business cycle. President Hoover acted late in the cycle.

As one of his closest advisers, speaking of the record, said:

"The Government is without a doubt doing everything that can wisely be done to help. The truth seems to be that when we get into a situation, such as the present one, there is very little that can be done by the Government or anyone else. Apparently the remedy must be applied earlier and over a considerable period, if not continuously, in order to be effective.

"If we are to prevent these terrible depressions, we must begin by preventing wild speculation and overproduction, culminating in extravagant booms that invariably bring a reaction. Just how this is to be done is a matter for exhaustive study and education. From now on, no doubt, many of our ablest men will be devoting themselves to this problem, and, I am sure that people generally will be in a receptive mood—for the next few years at least—and willing to try to apply any sound measures that may be suggested."

WALTER S. GIFFORD, president of the American Telephone and Telegraph Company, thinks that prosperity can be managed. At any rate, recent experience has shown that if leaders are to aid in mitigating depression, they must start very early by putting on the brakes in the previous boom.

The tendency of the present depression to last longer than those in the past is, in my opinion, due first to the unusual prolongation of the previous boom, and secondly, to the efforts made by President Hoover and others to soften the blow, thus tending to spread out the ailment rather than getting it over quickly.

If any progress is to be made in combatting unemployment with social planning, we shall have to keep interested in the subject even after the huge depression is over. There was widespread interest in the subject in 1921 in connection with President Harding's Committee on Unemployment, but



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It is right and proper that the corporation should borrow to pay. It is equally right and proper that the individual should borrow to pay.

If it were not so, doctors and lawyers, merchants and manufacturers, employees and employers, would all be handicapped by slow payments. Jobs would be scarcer; our comforts of life, fewer; our progress, slower.

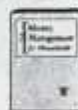
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APRIL 28 to MAY 1

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when prosperity returned the problem was all but forgotten.

Arguing in behalf of unemployment insurance, Sumner H. Slichter, professor of business economics at the Harvard Graduate School of Business Administration, in *The New Republic*, charges that American employers have in reality been receiving a dose.

"The real recipients are the great industries of America. . . ." Professor Slichter asserted. "Why should not the policy of building up reserves to continue payments during periods of depression be applied to labor as well as to capital? Has not the time come for industry to cease holding out a tin cup to the American public and to pay its own labor overhead? This is what unemployment compensation would mean, that industry would pay its own bills instead of relying upon 'the spirit of voluntary contribution' to pay them. It would also mean that relief would start almost instantaneously, instead of from six months to a year too late."

AMONG the large employers of labor with forward looking programs are the General Electric Company, Procter & Gamble Company, Hart, Schaffner & Marx Company, Associated Oil Company, Dennison Manufacturing Company, Tidewater Oil Company, United States Rubber Company, Standard Oil Company of Ohio, and the John A. Manning Paper Company of Troy, N. Y.

TIME is the most potent factor working in behalf of business recovery. Consumers who had accumulated a large amount of goods in the last boom have gradually been working it off. Roger Babson remarked that a depression lasts only as long as it takes a man to wear out two pairs of trousers.

Moreover, the depression has made many improvident persons decide to save some money as a backlog. Among the employed, thrift has been purchased in the past year and a half, as measured by increased deposits in savings banks. Now, after the average man has accumulated a thousand dollars, he begins to feel that he has built up some reserves and his mental attitude changes and he is more ready to buy for consumption.

Moreover, after the actual weak spots of the business structure have been corrected, business men in time gradually tire of being pessimistic and a new psychology suddenly develops. These important economic and psychological changes are already in the making.



## THROUGH THE



## EDITOR'S SPECS

**E**DITIONS are gratified when the material they present is read with interest sufficient to bring forth letters of comment from subscribers. It is doubly gratifying when articles are not only read, but in addition supply ideas or suggestions which lead to some step in the conduct of business. Two such instances have been called to our attention recently, as indicated in the letters below. There are many other cases where ideas found in the pages of NATION'S BUSINESS have been put to work, and we have a continuing interest in hearing of new applications.

## TO THE EDITOR OF NATION'S BUSINESS:

You undoubtedly know that there has been an organization started which is called the Independent Druggists' Alliance, or "I. D. A. Drug Stores," and that the first stores are being opened in New Jersey. What you don't know, however, is that the formation of this organization is directly due to an article which I read in NATION'S BUSINESS last summer dealing with the I. G. A. Grocery Stores.

In reading this article I was impressed with the thought that J. Frank Grimes had found the solution for the troubles of the independent retailer. I got in touch with him and finally was able to induce him to build up the same kind of an organization in the drug field.

GEORGE I. SCHREIBER  
Executive Secretary

Associated Druggists of New Jersey  
Newark, N. J.

## TO THE EDITOR OF NATION'S BUSINESS:

Here is a concrete example of the influence of NATION'S BUSINESS in presenting ideas that are put into practical operation.

Shannon & Luchs, Inc., has completed a development in the Cleveland Park section of Washington, D. C., of "parking stores." It consists of a series of stores in a semi-circle, set back a sufficient distance from the street to permit parking of customers' autos.

Mr. Frizzell, of Shannon & Luchs, who is handling the project, told me the other day that he got the idea from a story in NATION'S BUSINESS which appeared about a year and a half ago. Presumably, this is the article "Stores the Road Passes Through," by Millard D. Morgan, in the



Above: Comfy cabin dot the Olympic Peninsula. Below: Seattle, the dynamic, the metropolitan, the city of fascinating shops and exceptional hotels, is seen by those arriving by water in oval. Regardless of reports to the contrary, Wood-january will fly the seven seas.

Left: Topping a 245-footer for high-low rigging in logging operations. Below, center: Puget Sound is the Yachiman's "Promised Land." Right: The starting magnificence of Chocoma Drive, on the way to points North and Mt. Baker, simply takes one's breath.



## Would You Angle for New Business or New Pleasures?

WOULD YOU find new worlds to conquer, or seek escape from the one you already know and feel too vividly, in the depths of a forest where the grass is always lush and green, and the stillness yet unbroken by the ring of the woodman's axe?

Why not, for a change, combine business and pleasure? Vacation this year in the Charmed Land, the heart of which is energetic Seattle. With two snow-capped mountain ranges holding extremes of heat and cold at bay, with moss hung canyons, silvery lakes, tumbling streams and island-dotted inland waterways inviting exploration, you "high-powered" boys who aren't afraid to live, will find in this unspoiled wonderland, where water and rail-exchange cargoes, new zest, new joys, new reasons for living.

You can install the family in cushioned ease, if that is what they like, and revel in "man talk" over a camp fire, climb a dizzying peak or buck

the ocean spray with other lively souls. Between times, you can make stimulating contacts with other keen executives, and over a varied choice of velvety golf courses, talk to men who can open a new market for a hard-to-sell product with the same forceful ease that they pry open a can of bait, or drop a dry fly on a raffle. The Pacific Northwest is a section no up-and-going organization can afford to ignore; it's a pleasure ground equaled nowhere else on this old earth. The coupon below, if mailed at once, will give you time to decide just which, of the multiplicity of charms, the Pacific Northwest will reveal to you this year.

# SEATTLE

CHAMBER OF COMMERCE, DEPT. A201, SEATTLE, WASHINGTON

Please send more information and your free picture booklet.

NAME.....

ADDRESS.....

CITY..... STATE.....





# COPPUS

## FANS-BLOWERS-TURBINES

### Efficiency Stimulators and Money Savers

#### for the Homes, Factories, and Power Plants of a Nation!

WHEREVER you have a heating or ventilating problem, whether it be in your home, factory, or power house, Coppus Products warrant your consideration.

In homes, institutions, public buildings and industrial plants, Coppus Mechanical Draft Fans furnish an abundant air supply to the boilers, insure uniform heat and reduce fuel bills  $\frac{1}{3}$  to  $\frac{1}{2}$ .

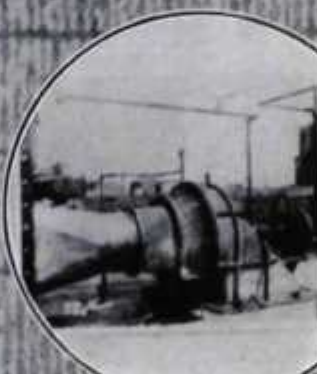
For general ventilation of shops, factories, mines . . . in fact all places where fresh air is needed . . . Coppus Fans play an important part with resultant savings in operating costs . . . keep workers alert and noticeably keep production at high level.

And in the power plant, for driving your pumps, generators and auxiliary equipment, the economical and efficient performance of Coppus Turbines is commendable.

Probably Coppus Products can improve conditions and save money for you! Literature on our various items may reveal some interesting facts. Where shall we send it?



COPPUS MECHANICAL DRAFT FAN UNIT OF VERTICAL HEATING BOILER



COPPUS TURBINE DRIVING COPPUS HOT GAS RECIRCULATING BLOWER



VACUUM BLOWER INSTALLED ON GAS BURNER IN A STEEL PLANT



COPPUS HEAT ROLLER IN USE IN INDUSTRIAL PLANT

# COPPUS

## ENGINEERING CORPORATION

304 PARK AVE.  
WORCESTER, MASS.

issue of July 1929. Incidentally, he told me that all the stores have been leased before completion.

E. D. BORDEN  
Manager

Domestic Distribution Department  
U. S. Chamber of Commerce

#### ♦ Canadian Protest

TO THE EDITOR OF NATION'S BUSINESS:

For the nonce I become "old subscriber" and invest myself with all his rights and privileges to voice a protest.

My quarrel with you concerns the article by James E. Boyle in NATION'S BUSINESS of December. In that article Professor Boyle, in an endeavor to prove a case against the Wheat Pool, for which I hold no brief, has things to say about western Canada that are not only idiotic as arguments in his case but are as unfair to western Canada as they are cruel.

I have no quarrel with Professor Boyle but only with his statements. He may be the best economist in the world but as a delineator of western Canadian conditions and their relation to certain aspects of the economic situation as it affects one industry, he pens generalities that are unfair and unsound. I would respectfully suggest that in the future your editors scan very carefully any statements Professor Boyle has to make about western Canada.

G. H. LASH

U. S. Press Representative

Canadian National Railways  
New York City

#### ♦ Three A. M.

TO THE EDITOR OF NATION'S BUSINESS:

Just finished reading the December number last night. It was even better than previous numbers and particularly interesting to me was Art Brown's article on Porto Rico. But the whole thing was a perfect gem and I wired Bob Cromie, owner of the *Daily Sun*, Vancouver, to be sure and get a copy in order to read Julius Barnes' financial review. That stuff on the Canadian Pool I cut out for our expert.

For a hard-boiled newspaper man to read until 3 a.m., a magazine has got to be thrilling in every detail. That's what I did with NATION'S BUSINESS last night.

G. C. PORTER

General Manager

Porter's International Press News Bureau  
Winnipeg, Manitoba, Canada

#### ♦ A British Comment

TO THE EDITOR OF NATION'S BUSINESS:

I have much pleasure in assuring you that the arrival of each number of NATION'S BUSINESS is eagerly looked forward to by the undersigned.

In a recent number I noticed that Paul M. Mazur has written a book, "America Looks Abroad." In this he puts the question:

"How is Europe going to pay our loans unless we lower our tariff barrier?"

For years it has been a puzzle to me that the politicians of the U. S. A. can have persistently been able to avoid detecting the palpable truth that a wall to shut out foreign goods and services is necessarily a wall to shut U. S. A. goods and services in.

With regard to the attempt to stabilize



agricultural prices, in a time of emergency, it seems to me evident that the policy of the Federal Farm Board must be defeated, because of the constant tendency toward overproduction of farm products which such action necessarily must lead to.

I understand that the agricultural economists of the U. S. A. are quite aware of this, but their view is evidently not shared by the politicians, who—unfortunately—not infrequently have a personal axe to grind and therefore are bound to look at these things from another angle of vision.

CHR. KNUDSEN  
British Vice-Consul

Porsgrund, Norway

#### ♦ A Suggestion

TO THE EDITOR OF NATION'S BUSINESS:

I was very much interested in the article appearing in the December NATION'S BUSINESS, entitled "My Money—After I Die"; interested, quite naturally, because I am one of the average interested citizens to whom the author alludes in his closing paragraph, and interested because his article suggests no solution of his difficulties and is practically a challenge to the average citizen to suggest some way out.

Let me take the liberty to suggest one solution of his problem—a solution which will enable him to watch its operation and to make such changes while he lives as will reasonably assure the consummation of his desires after he has passed on.

Let him create a living or voluntary trust of a portion of his present wealth and appoint as his trustee some reputable financial institution;

Provide in the trust agreement the manner and form in which the trust fund shall be invested, with due regard to the commercial requirements he has in mind, and relieve the trustee from liability for shrinkage if it can show that it has used prudent judgment;

Designate as beneficiary one of the community trusts which have been created for the purpose of providing perpetuity for trust funds with adequate provisions for selecting other charitable beneficiaries in place of those which, in the course of time, may become obsolete and useless;

Specify as beneficiaries of the income, and part of the principal if necessary, the particular industry and charities which appeal to him as now worthy of financial assistance;

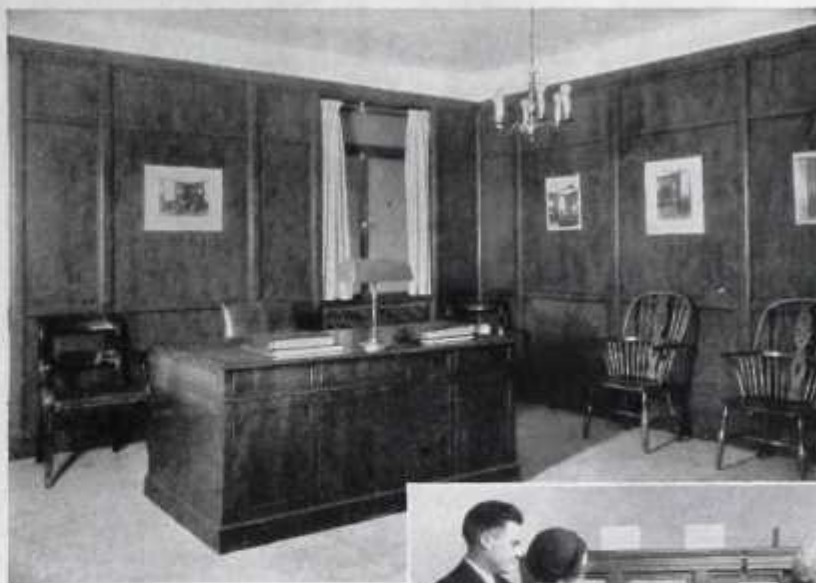
Reserve to himself not only the right to make such modification with respect to the field of investment and the distribution of income as his observations justify, but also the right to revoke the entire agreement if its operation proves unsatisfactory.

This is not a new untried scheme for solving his problem. There are approximately 75 community trusts in existence, with resources in excess of 32 million dollars, which have been modelled along identical lines and have engaged, in their creation, the talents of some of the best minds of the present generation. These resources have been contributed by men and women who have encountered the same difficulties in determining how their charitable benefactions could be satisfactorily carried out.

F. F. THOMASSEN

Attorney  
New York City

# AN EXHIBITION of Progress in Steel Partitioning » »



Two of the many exhibits.—Above: Executive office of sectional steel panelling, with rich walnut graining. At right: Construction details

worth a special  
trip to New York

RIGHT NOW, atop the building at Ten East Fortieth Street, New York, five thousand square feet of new ideas in steel panelled rooms await your inspection.

Come and see actual demonstration of the ease and speed with which Hauserman Movable Steel Partitions may be erected and disassembled. *Inspect the new, removable bases which conceal all wiring systems.* Watch the punishing tests for durability of finish—and learn how *natural* grain is photographically reproduced by Hauserman.

When in New York, do not fail to see the

9 to 5:30  
Daily

1931

Evenings by  
Appointment

## PARTITION SHOW by HAUSERMAN

Occupying the Entire Top Floor at

TEN EAST FORTIETH STREET, NEW YORK

THE E. F. HAUSERMAN COMPANY  
NEW YORK EXECUTIVE OFFICES: 11 WEST 42nd STREET  
General Offices and Factory: CLEVELAND, OHIO

Factory Directed Planning and Erection Service from these 13 District Offices:

Newark Detroit	Philadelphia Cincinnati	Buffalo St. Louis	Boston Washington, D. C.	Kansas City New York	Chicago Pittsburgh Cleveland
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When writing to THE E. F. HAUSERMAN COMPANY please mention Nation's Business



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THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

## Advertise TO Your Prospect —Not AT Him

RECENTLY a young man called to sell me a certain kind of advertising. He was personable and eloquent. His proposition doubtless had its good points. He spoke with conviction. But he did not make a sale, because what he offered could not possibly have fitted into our scheme of things.

Now this salesman—and any salesman—had one advantage which advertising lacks. If you can clutch a man's lapel and back him into a corner, you can make him listen to the limit of his endurance—or of yours. But you can't count on getting attention through the printed word in the same way. Advertising competition is too keen. Your prospect doesn't *have* to read your message and he will not, unless—

And here is something many advertising people forget now and then. The service or product we advertise may be, from our viewpoint, the finest and most desirable of its kind. But, to make a sale, *we have to make the other fellow think so, too.*

We can approach him from *our* standpoint if we wish. We can tell him what a splendid factory, or bank, or store we have. We can praise our product. We may even make him believe us—if our appropriation lasts long enough. But it's a pretty safe bet that, at the outset, he has no more interest in us than in any of our competitors. His conversion may be mighty long in coming.

If, on the other hand, we approach him from *his* viewpoint, if we show him how he can use our product to *his* advantage, or adapt our service to *his* needs, then we can be sure of getting his attention quickly. That other fellow is looking out for the main chance just as we are. The moral? Advertise *to* him, not *at* him.

FRANK G BURROWS  
Irving Trust Company, New York



*Behind these windows . . .*

# Little America

**N**OT in the uninhabited Antarctic, but in the center of the largest city in the world stands this Little America . . . a Manhattan skyscraper.

This skyscraper helps you to visualize your problem of mass distribution. It holds a fair sample of that greatest mass market, the people of the United States. For in it are users of every form of merchandise made.

The twelve thousand men and women who work here are consumers of a great variety of articles. The companies for whom they work control the purchase of more than a billion dollars worth of products annually.

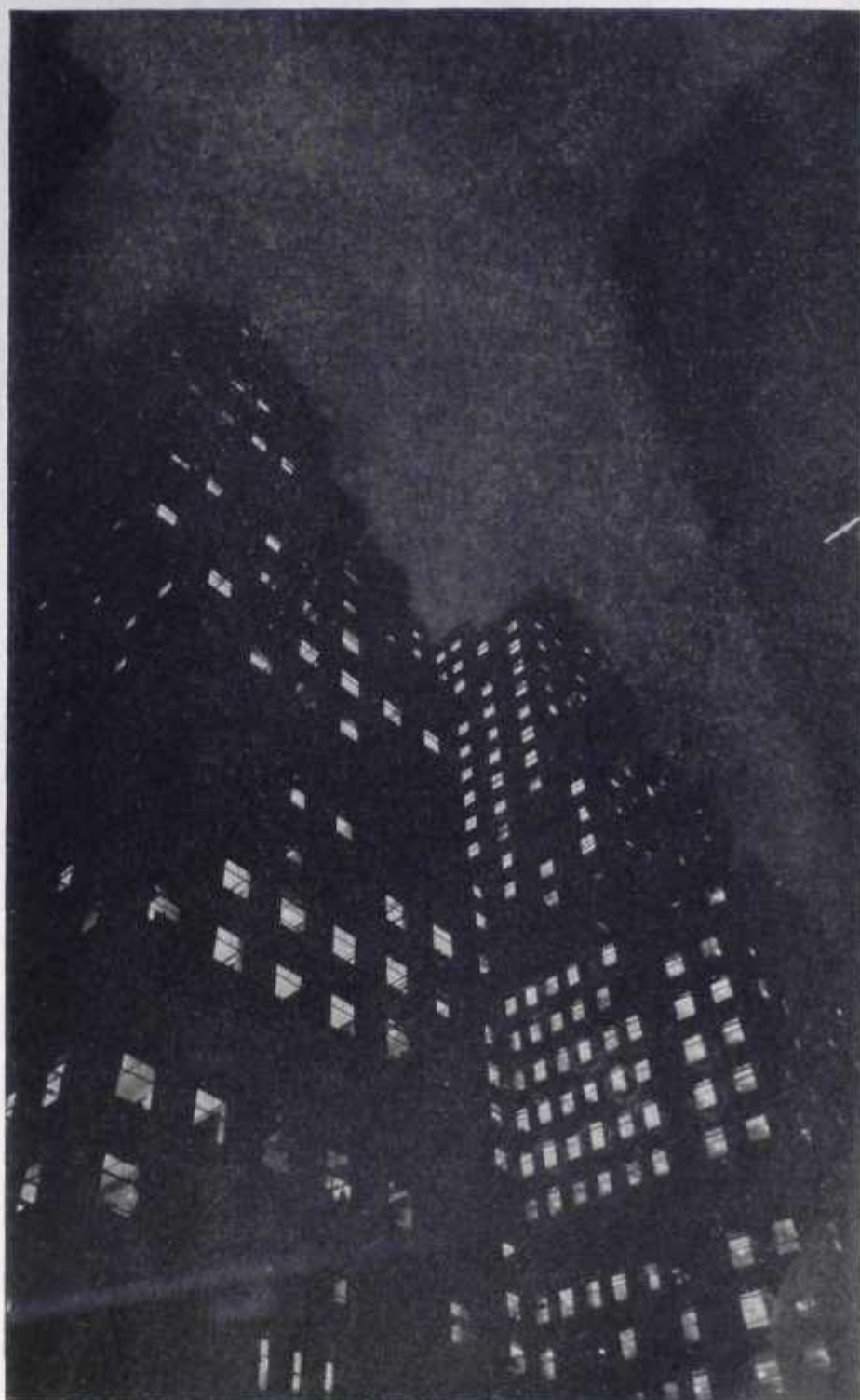
You have prospects in this Little America. But wouldn't it be difficult to find out just who they are and just where they are in this small cross section of the American market inside this one building? Wouldn't it be difficult to reach them, explain the values of your product and convince them that they must buy it?

If these tasks are difficult in this Little America, think how much more difficult they are in big America, the whole United States . . . or in any other large mass market of the world!

From seven cities in the United States and from the center of every large population area in every land, except Russia, Japan and China, where offices will be opened when conditions warrant, the J. Walter Thompson Company is helping a distinguished group of clients to identify, reach and influence their prospects.

With those products which are most dependent on advertising for success . . . products in the highly competitive trades and industries . . . this company leads today, both in this country and in the markets of the world.

*Here in the GRAYBAR BUILDING in New York City . . . photographed late in a winter afternoon . . . is a cross section of America's mass market. For the 12,000 individuals at work here and the companies for whom they work are users of every form of merchandise made.*

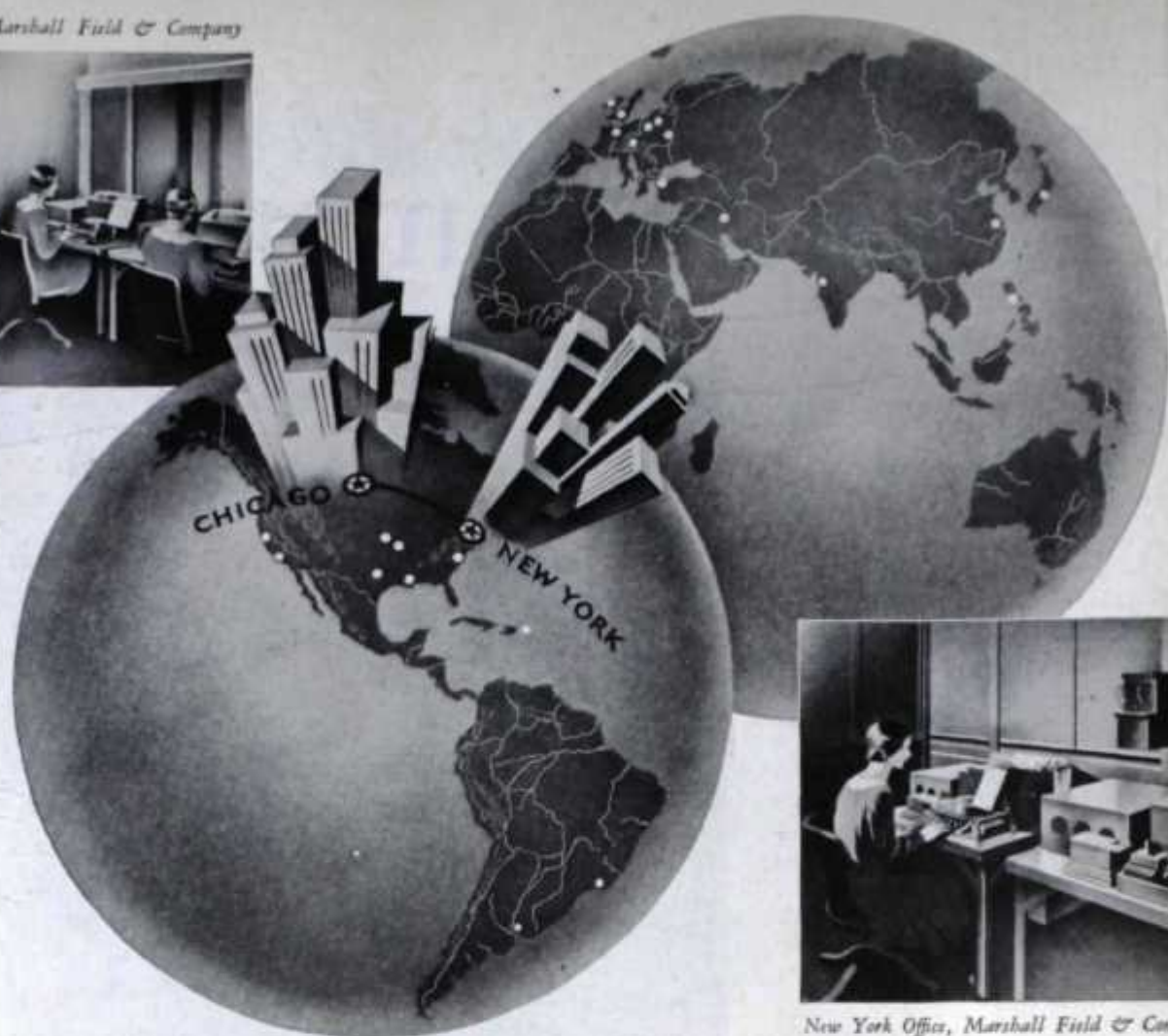


## J. Walter Thompson Company

New York Chicago St. Louis Boston Cincinnati San Francisco Los Angeles • Montreal Toronto  
London Paris Madrid Berlin Stockholm Copenhagen Antwerp Warsaw • Alexandria Port Elizabeth  
Buenos Aires Sao Paulo • Bombay • Melbourne Sydney • Batavia • Wellington

*When writing to J. WALTER THOMPSON COMPANY please mention Nation's Business*



*Chicago Office, Marshall Field & Company**New York Office, Marshall Field & Company*

**MARSHALL FIELD & COMPANY,  
IN DIRECTING A WORLD-WIDE  
ORGANIZATION, USE**

## TELEPHONE TYPEWRITER SERVICE

TELEPHONE TYPEWRITER SERVICE\* brings the separated units of a company as close together as though they were in the same building. Important information from one office is made instantly available in written form at any other, whether two city blocks or 2000 miles away. Operations of many kinds are speeded up, with resultant lower costs and better service to customers.

Marshall Field & Company, in their wholesale mercantile division, use Telephone Typewriter Service between their Chicago headquarters in the Merchandise Mart, the world's largest building, and their New York office for directing many of their world-wide activities.

Messages to and from buyers, mills and branch offices in all parts of the world are handled between Chicago and New York by Telephone Typewriters. Orders from Chicago to mills on the Atlantic Seaboard are transmitted to New York by this modern method, and relayed from there. The "styling" of goods in manufacture is based largely on Telephone Typewriter messages.

Vital financial information is exchanged instantly. Executive instructions are handled quickly and accurately. Centralized accounting, made possible by Telephone Typewriter Service, eliminates the duplication of records. Credit supervision is aided. Traffic matters are speeded ... clearing imported merchandise through New York ... tracing shipments from mills ... diverting goods in transit.

Telephone Typewriters can be used to exchange written messages between departments in the same building, between buildings in the same city, or between cities separated by thousands of miles. Your local Bell Telephone Company will gladly show you how Telephone Typewriters might serve your firm.

*\*Telephone Typewriter Service is a modern form of business communication. A message typed in one of your offices is reproduced in identical typewritten form at the same moment in any or all connected offices, no matter how distant. The machines can be operated by any one who can operate a typewriter.*





# Q U I E T ~ I Z E D



*Quietized office of  
GEORGE M. VERITY, Chairman of the  
Board, The American Rolling Mill Com-  
pany of Middletown, Ohio, manufacturers  
of the widely-known ARMCO Ingot Iron  
and steel products.*

**D**O you find it difficult to concentrate in your office? Do you sometimes feel that it has taken you altogether too long to accomplish a definite job of thinking?

Many business executives have found that the reason is not lack of power to concentrate, but lack of opportunity. During every hour of their daily work, they endeavor to think, plan, produce with the din of office routine pounding in their ears. This noise is preventing them from bringing their full mental powers to bear on the task in hand.

There is one way to increase your mental productiveness, and at the same time to give your working quarters a beauty and comfort which in themselves are conducive to good work and which command the respect of your visitors. That way is through carpeting your offices.

Only woven floor coverings can both deaden direct sound, like heel taps, and absorb, blotterlike, the general "floating" noise that surrounds the day's activities—the buzz of talk, the ring of 'phones, the clatter of machines and the roar of traffic.

More and more business executives are carpeting their private offices and those of their valued assistants. Many are choosing Mohawk carpets because of the wide range of patterned and plain-toned fabrics which offer dignity and beauty, long wear and economy, and—endless, concentrative *Quiet*.

There is a Mohawk dealer in your city equipped to serve you. He will recommend either Chenille—for luxury and wear—or Broadloom, in a variety of plain tones. Both are designed to give the greatest value, dollar for dollar, in office carpetings.

**MOHAWK RUGS & CARPETS**





© 1931, The Timken Roller Bearing Company

New high standards of precision and production; new low levels of manufacturing cost; these have been the direct benefits to every type of machinery made possible by Timken Bearings. Small wonder that such sweeping results have carried Timken to the very top as a dominant factor in leading industries . . . In the very toughest jobs of all, machine tool spindles, there's where you find Timken Bearings, rolling up close to the 100% mark on all the new anti-friction machines for heavy-duty production . . . Go through all Industry with a fine-tooth comb. You find *Timken* the one bearing—and the one name that stands out above all others. This is evidence of the most compelling character of the superiority to be had only with Timken tapered construction, Timken positively aligned rolls and Timken-made steel . . . These cost-shrinking, profit-expanding advancements are what Industry wants; advantages you want. They are very easy to get. Specify "Timken Bearing Equipped" and they are yours. The Timken Roller Bearing Company . . . Canton, Ohio.

